

NATION'S BUSINESS



JULY, 1928

Business Men
Boost Taxes

By A FARMER

Why
Do Men Fail?

By Herbert Corey



MORE THAN A QUARTER MILLION CIRCULATION



Widening the Circle!

Originally, shipping attracted industry to the Port of Newark. Unique rail and water facilities were the deciding factor which induced such prominent concerns as Sears Roebuck & Co., the Weyerhaeuser Forest Products Co. and a score of others to invest millions of dollars in Port of Newark plants and warehouses.

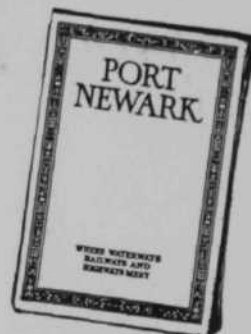
Now industry in its turn—by reason of the rapidly growing volume of its cargo output—is attracting increased shipping to the Port of Newark!

The circle is widening!

Latest of the leading shipping lines to select the Port of Newark as a terminal base is the famous Luckenbach Line, operating one of the largest and fastest fleets of cargo-carriers afloat. Regular service between the Port of Newark and Southern and West Coast ports is now in operation.

With this added service tying up to its five trunk line railroads and the development of its new 500 acre airport, the Port of Newark offers transportation facilities and short cuts to market that should interest every business executive. And these represent only one aspect of a situation which is rapidly building one of the most important industrial centers of the nation at the Port of Newark. You can get the complete story without obligation, by writing to

THOS. L. RAYMOND, Mayor, Newark, New Jersey

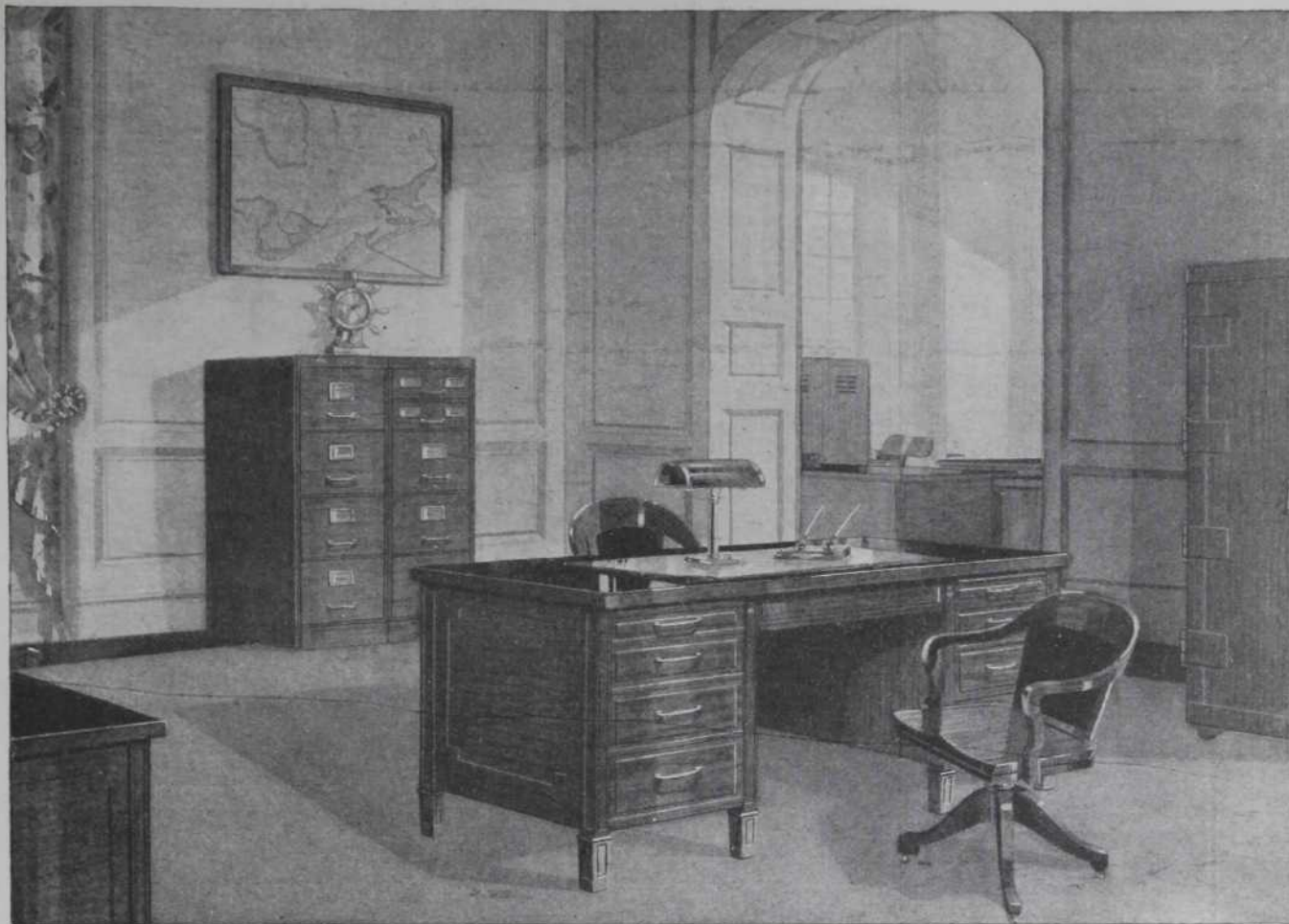


Let Us Send You
this Book

Within its covers you will find the complete story of the Port of Newark, with a concise, interesting description of its many advantages as a manufacturing and distributing center. Free to business executives on request.

The PORT of NEWARK

"Where Railways, Waterways, Airways and Highways Meet"



Office Furniture that has no birthdays

*Years after you buy this beautiful
Art Metal equipment it looks like new*

"GETTING old" means nothing to Art Metal. Steel does not break, splinter or warp. The usefulness, the good appearance, of Art Metal remain unchanged. Visitors to your office will receive the same impression today and twenty years from today.

And Art Metal is more than beautiful. There are no misfits in the office equipped with Art Metal. Each file, desk, safe or cabinet—every piece exactly suits its job. Space and time are conserved—office routine smoothed and speeded.

The engineers who plan—the craftsmen who make Art Metal—

know the needs of modern business. From the finest executive suite to the most economical general office equipment, efficiency and utility have been built into the design. In forty years of experience, many pieces have been evolved for special needs.

Nor is Art Metal more expensive than other fine equipment. It is less in the long run because it will be on

duty years after less lasting equipment is thrown into the discard.

Art Metal may be had in soft wood grain finishes or rich olive green. These finishes are applied to the finest grade furniture steel with special enamels. Their lustre and freshness will not dull.

We have published a new booklet on office layout. It may be helpful in your layout problems.

We shall be glad to send you a copy along with any of the catalogs listed below. Please mention the ones you wish.

1. Desks; 2. Steel Shelving; 3. Horizontal Sectional Files; 4. Plan Files; 5. Fire Safes; 6. Upright Unit Files; 7. Counter Height Files. The Art Metal Construction Company, Jamestown, N. Y.

Art Metal

STEEL OFFICE EQUIPMENT, SAFES AND FILES

Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States, Washington, D. C. Subscription price \$3.00 a year; \$7.50 three years; 25 cents a copy. Entered as second-class matter March 29, 1920, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

"Over-Way increases Plant Capacity"



The installation described here is but one of hundreds which prove the efficiency and economy of R-W Over-Way.

Sivyer Steel Casting Company, Milwaukee, gave these facts to a Gould Reports Investigator: This company specializes in high-carbon and alloy electric furnace steels. They do nothing by hand which can be done efficiently by machines. To handle castings and sand in the side bays of the foundry, they installed 8 Richards-Wilcox Over-Way Systems, with air-hoists suspended from R-W Ball-Bearing Trolleys.

Each system operates on about 90 ft. of I-beam track, reaching within 7 feet of all points, serving a total of 8,000 sq. ft. with the 8 systems. Sand and castings are loaded sepa-

ately into steel pans, and moved to points convenient to the traveling cranes.

Before the Over-Way Systems were installed, much of the foundry space was so far from the main cranes that it was good only for storage. The Over-Way Systems have made available approximately 2500 sq. ft. of additional foundry space—an increase of 25% in plant capacity—at an investment of less than \$1.00 per square foot of space reclaimed.

In the value of reclaimed floor space alone, the Richards-Wilcox Over-Way System has paid for itself. The easily operated ball-bearing trolleys have also increased our production.

Ask us to send an R-W engineer to show you where Over-Way will save money in your business

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"A Hanger for any Door that Slides."

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 Boston, Philadelphia, Cleveland, Cincinnati, Indianapolis, St. Louis, New Orleans, Des Moines
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"That's out! We've got a cure for those summer slumps now"

"We've tried all that stuff—like driving our salesmen. It didn't do much good.

"When we finally *did* find the remedy, it was right in our General Office. So we've reorganized our whole system of customer follow-up along entirely new lines.

"We've put all data on Acme Visible Records, got the facts about every account and prospect out in the open where we can't overlook them.

"Now, when one of our men goes out to call on John Jones he doesn't wait to hear a lot of grief. He starts right in on what Jones bought last, when he bought it, how fast he sold similar goods last year, why he can sell them faster this

year and why he needs to get his order in right now.

"Often we know more about Jones' business than Jones does. And Jones has to admit it. What's more, Jones buys! The definite, detailed facts we show him prove that he can't reasonably refuse. General sales talk wouldn't sell him. Facts do!"

* * *

Our book "Profitable Business Control" tells about such sales records—tells also about credit, stock, collection and purchase records. We'll gladly send you a copy or, if you prefer, have one of our trained men call on you. Either man or book without the slightest obligation. Send the coupon.



Acme is the world's largest company specializing exclusively in visible record equipment. Offices in principal cities.

ACME

VISIBLE RECORDS

ACME CARD SYSTEM COMPANY

N. B. 7-28

116 South Michigan Avenue, Chicago

Gentlemen:

☐ You may send me your book "Profitable Business Control".

☐ You may send your nearest representative to me

☐ Please write me concerning your system for handling

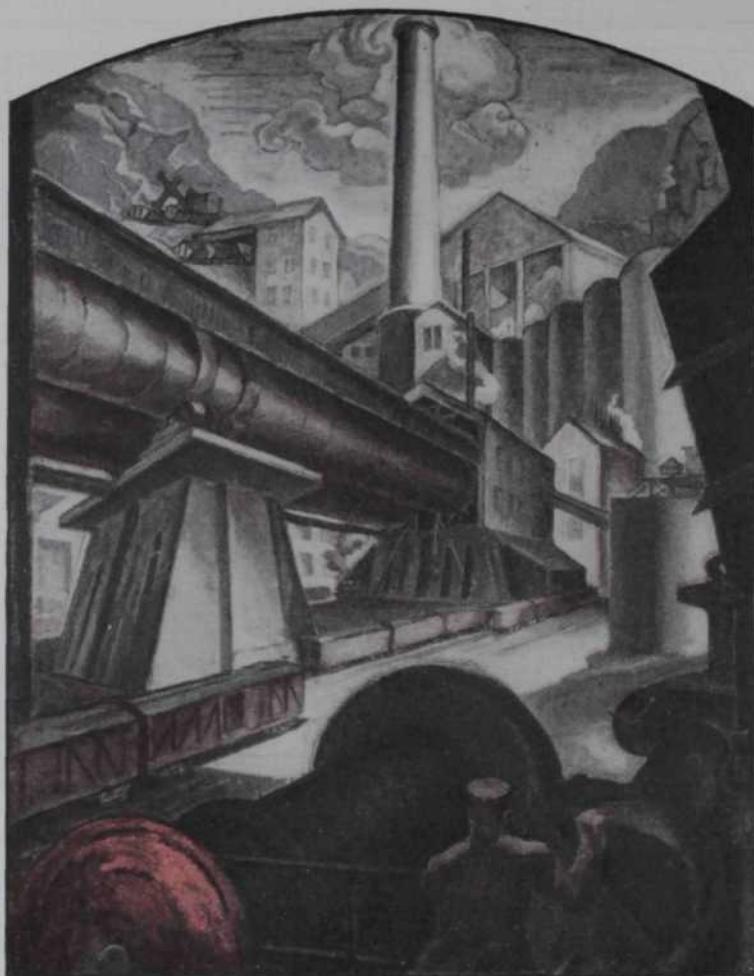
records.

NAME _____

FIRM NAME _____

CITY _____

STATE _____



How a cement company saved \$5,567 in one department

Will you match an hour with us?

In one hour — probably less — a Vacuum Oil representative can explain to you the wide economic difference between *scientific lubrication* and just "oil".

Scientific lubrication means a great deal more than money-saving from month to month. Yet it often means such money-saving *in addition* to its other benefits. As an example from among thousands, the following savings showed up in a big cement plant!

Up to January, 1926, four cement crushers consumed 901 kilowatt hours per day. A talk with a Vacuum Oil man led to lubrication changes which resulted in a reduction of 7% in power-consumption and an annual power-cost saving of \$4,680. Further

economy in the use of lubricants brought the total saving to \$5,567, which amounts to many times the annual oil bill of this department, and represents 6% interest on nearly \$100,000 of capital.

But savings of this sort are negligible compared with the increase of machine efficiency and production capacity which scientific lubrication inevitably promotes.

Diagnosis first!

In our experience, there is no "blanket prescription" for correct lubrication. Each plant has its own problems. Very often an outside mind thoroughly grounded in lubrication knowledge, studying those problems from a new angle, can

reveal many unlooked-for opportunities for increased efficiency.

It is just such study that the Vacuum Oil Company offers you. Our men know how to reduce friction. The reduction of friction is not to be measured merely by temporary savings—indeed, the savings may be small. Its value reveals itself in years of increased mechanical productiveness, in long records of machine continuity, in lower depreciation.

One hour of your time, matched against our 62 years' specialization in scientific lubrication, may lead to just such economies.

A talk with one of our men can be arranged to suit your convenience.



Lubricating Oils

The world's quality oils for plant lubrication

Vacuum Oil Company

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When writing to VACUUM OIL COMPANY please mention Nation's Business

This Month and Next

LP. JACKS in his volume on "Constructive Citizenship," draws a line between "space thinking" and "time thinking." Space thinkers are those who see life only at an immediate moment; who could, for example, vision a Utopia without asking how long their Utopia can last. Time thinkers are those who say: "Yes, but how long would it last? What would happen next?"

Professor Jacks illustrates his point with this story:

"In a recent argument a space-thinker put forward the opinion that the social system devised by Karl Marx was eminently practicable. 'I agree,' answered a time-thinker. 'But it would only last one day.' The space-thinker reveals a goal or point of arrival. The time-thinker asks for the direction of movement."

It is to the "time-thinkers" of business, to the men who ask what will happen next, that this magazine seeks to appeal.



Thomas Adams

Rodney A. Elward, Kansas farmer and president of a state taxpayers' association, warns the business men of the country that they are the really dangerous radicals of the country, that they are the ones who add to taxation by their fantastic half-socialistic schemes for spending more—always more—money.

In the May number, Julius H. Barnes wrote of the world's increasing desire for better things, "the market of discontent," he called it. Samuel Reyburn, president of Lord and Taylor, tells how this tendency is affecting retailing. "The market of distinction," he calls it. One of its symptoms is color in unexpected places, a subject of which we shall have something to say in an early issue.

To any who have a mental picture of a professor as spectacled, gray-bearded, ponderous, living in the past, we commend the sight of Professor Thomas S. Adams, when he presents his views on taxation. He talks with tongue, head, arms, in fact his whole body. He writes with the same fervor and his article, "Business alone can Equalize the Tax



Samuel Reyburn



J. F. Essary

VOLUME SIXTEEN

NUMBER EIGHT

NATION'S BUSINESS

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

MORE THAN A QUARTER MILLION CIRCULATION

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As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



Satisfied Customers

"We appreciate the service your institution is rendering to the business interests throughout the country. Our relation with you is of great satisfaction to us."

"Several times of late your Bank has gone out of its way to be of special service to us and we want you to know we appreciate it. Your organization is functioning 100%."

These comments have recently been received by the Out-of-Town Office of American Exchange Irving Trust Company from customers in other cities, whose business relations with us have covered a long span of years.

The Out-of-Town Office gives a complete banking service, prompt and accurate, to customers in the United States outside of New York City. In protecting their interests, it frequently performs for them unsolicited services of material value.

AMERICAN EXCHANGE IRVING TRUST COMPANY

Out-of-Town Office—Woolworth Building

New York

Burden," is a forceful setting forth of what business can and should do. "Time thinking on taxes."

No name in American business is better known than Heinz and no business has set for itself higher standards. Howard Heinz, the present head of the great food packing industry, in his article, "Business Is Building Confidence in Itself," recognizes that industry has taken long steps forward. All of us approve codes of ethics, but the job is to fit them into the hard facts of every day life. Mr. Heinz has some concrete cases to help.



Walter Burr

For the average "personality" story, NATION'S BUSINESS hasn't much use, but when a man stands for something, when he has a philosophy or a gospel of business, he means something. That is why Edwin C. Hill writes of William Butterworth, not because he's head of a great manufacturing company, nor even because he's head of the United States Chamber of Commerce, but because he stands for a principle in business, because he is "Butterworth—Crusader for Cooperation."



Herbert Casson

"The Railroads Are Getting Together," by J. Frederick Esary; "Why Do Men Fail?" by Herbert Corey; "Tangling the Wires," by Herbert N. Casson; "Outstanding Men I've Met," another of John Hays Hammond's fascinating contributions to the story of world business, and Fred Shelton's review of Congress' work—these are some other articles that make this July issue worthwhile for those men who want the why.

The modern magazine is partly a result of mass production—circulation in six and seven figures prove that—but magazines can't standardize the model and let the printing presses run. There's no Model T for a periodical. If last month's issue was good, next month's must be better or at least different.

For August and the months to come what are we shaping? A contributor who is always welcome, O. H. Cheney, in "Mind Your Own Business," tells the business world that they might well stop cloud gazing and dreaming of cooperation and billion dollar mergers and keep their eyes on little things.

Allen Billingsley on the color factor in industry we have mentioned; E. E. Slosson on "The Farm of the Future"—these are a few glimpses of what's ahead.



Edwin C. Hill



Fred Shelton

Many Able Men Waste Years before they learn this simple lesson

IN a very old book named Joel, after the man who wrote it, you will find this line—"The Years that the Locust hath Eaten."

A solemn sounding line it is, full of sad significance.

The years when there were no crops, because they were destroyed by the enemies of crops. The years when men worked and made no progress; when the end of the year found them a little poorer than its beginning, because a part of their little span of life was gone and had produced no increase.

* * *

In almost every life there are some fruitless years; but the tragedies occur when, year after year, men go along feeding their lives to the locust of indecision, or the locust of laziness, or the locust of too great concentration on a petty task.

In every week of every year the Alexander Hamilton Institute is brought into contact with such tragedies.

"I wish I had acted earlier"

"My experience with the Alexander Hamilton Institute leaves me only with the regret that I did not make contact with it at an earlier time," says one man.

For that regret there is no healing. The years when one might have acted, and did not; these are the years that the locust hath eaten.

"If I had enrolled with you a year or two ago, I should be better able to handle my daily problems," another says.

Many able men waste years before they learn this simple lesson—before they learn that success today is impossible without training and that the time to get that training is not next month or next year but *right now*.

The punishment of wasted years

This happened just the other day: A man wrote asking that someone call on him who could give him detailed information as to just how the Alexander Hamilton Institute has helped more than 358,000 men to greater success.

The representative found a man past fifty years of age, occupying a modest position in a great corporation. He sat down to explain the Institute's plan and method. And as he

*This is one of the most
FAMOUS ADVERTISEMENTS
ever written*

We first printed this unusual message under the title "The Years that the Locust hath Eaten" in 1919. Hundreds of successful men today are thankful that they read it. It is almost safe to say that it has created more discussion than any other advertising message the Institute has ever printed. Read it yourself; it's for every man who wants to cut the fruitless years out of his life.



talked, naming one and another who now occupy high positions, he looked across at the gray-haired man, who was plainly disturbed by emotion.

The representative of the Institute turned away his eyes; he knew what that man was thinking. His thoughts were turned back over the fields of wasted opportunity; he was plagued by the thought of the years that the locust hath eaten.

Today you may start forward with 358,000 others

You can hardly call this an advertisement about the Alexander Hamilton Institute. The facts about its Modern Business Course and

Service have been printed so many times that few men need to have them repeated.

The average man could say them almost by heart. He knows that the Institute is the institution that specializes in taking men who know only one department of business, and rounding them out into fitness for high executive tasks.

He knows that 358,000 men are proof of its strength and standing; he knows that business and educational authority of the highest standing is represented in the Advisory Council of the Alexander Hamilton Institute.

Advisory Council

The Advisory Council consists of: GENERAL T. COLEMAN DU PONT, the well-known business executive; PERCY H. JOHNSTON, President of the great Chemical National Bank of New York; DEXTER S. KIMBALL, Dean of the College of Engineering, Cornell University; JOHN HAYS HAMMOND, the eminent consulting engineer; FREDERICK H. HURDMAN, Certified Public Accountant and business advisor; JEREMIAH W. JENKS, the internationally known statistician and economist.

This advertisement is directed to the man who knows all this, and knowing it, has let the weeks and months and years slip by—years that might have meant so much to him, and now are gone and beyond recalling; years that the locust hath eaten.

"Forging Ahead in Business"

To such men—and to all men of earnest purpose who seek to avoid these wasted years—the Alexander Hamilton Institute comes now, asking for only one moment of firm decision—one moment in which to take the first step that can begin to turn ordinary years into great years of progress.

A book has been published for you, entitled "Forging Ahead in Business."

It is not a book for drifters; but to men who are asking themselves: "Where am I going to be five years from now?" it is offered freely and gladly without the slightest charge.

Today your copy of "Forging Ahead in Business" is waiting. Send for it now.

Alexander Hamilton Institute

Executive Training for Business Men



IN CANADA, address the Alexander Hamilton Institute, Limited, C. P. R. Bldg., Toronto

IN ENGLAND, 67 Great Russell St., London
IN AUSTRALIA, 11c Castlereagh St., Sydney

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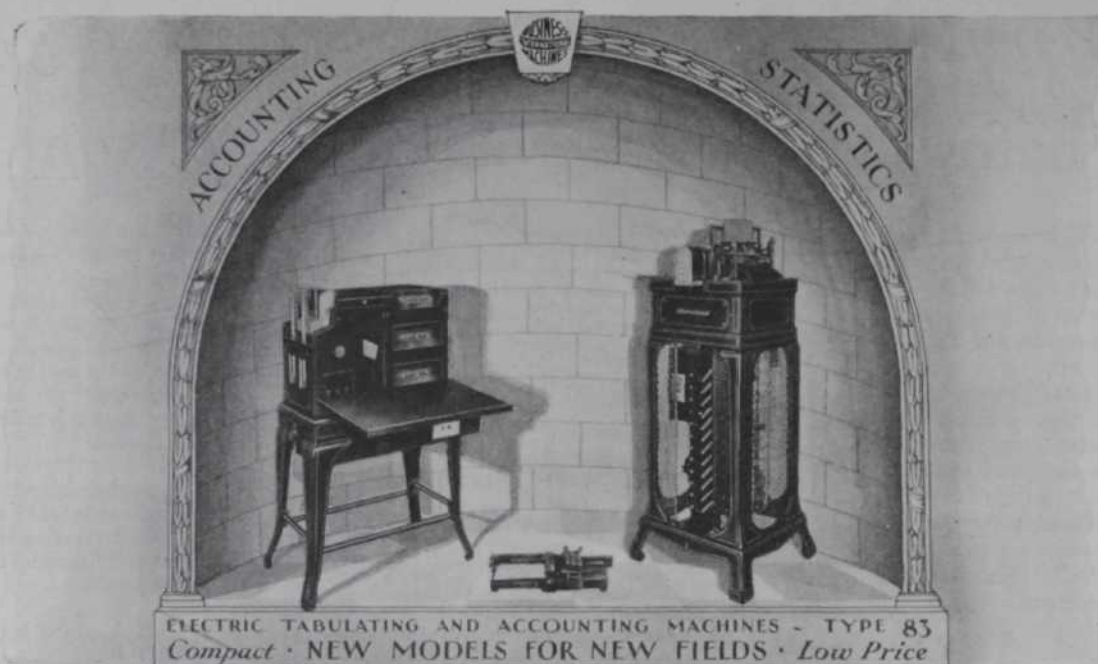
New York City

Send me the new revised edition of "Forging Ahead in Business," which I may keep without charge.

Name _____ Please write plainly

Business Address _____

Business Position _____



An Accounting Niche No Longer Bare

The New Type 83

Electric Tabulating and Accounting Machines Fill a Long Vacant Place

No longer are small organizations or the individual departments, branch offices or divisions of great industries compelled to forego the benefits of Punched Hole Accounting. New models of Electric Tabulating and Accounting Machines — known as the Type 83 — have been especially designed for these particular sections of modern business.

The short-cuts and money savings that heretofore have been possible only in the headquarters accounting work of great industries are now available to small concerns and the various subdivisions of large ones.

By means of the Type 83 Electric Tabulating and Accounting Machines the small organization can now secure a quick "close-up" of operating conditions, via orderly, electrically prepared statistics, in the same way that the world's largest businesses for years have employed Electric Tabulating and Accounting Machines to secure similar results.

The large industries themselves can now electrically handle their operating data at the source of the original written information, thereby making it possible to secure timely information regarding production, sales, expenses, etc., through analyses made in the various departments, branch offices or other subdivisions.

The Type 83 equipment enables all figure-facts to be broken down to split hair fineness. Speed and accuracy are assured. Detailed reports concerning any activity can be made daily—or even hourly, if necessary.

The new Type 83 Electric Tabulating and Accounting Machines are the only equipment of their kind on the market.

International Business Machines Corporation

THE TABULATING MACHINE COMPANY DIVISION
INTERNATIONAL TIME RECORDING CO. DIVISION
DAYTON SCALE COMPANY DIVISION

50 BROAD ST., NEW YORK, N. Y.
Branch Offices and Service Stations in
All the Principal Cities of the World

CANADIAN DIVISION
International Business Machines Co., Ltd.
300 Campbell Av., West Toronto,
Ont., Canada

The Flight of Reason

THOUGHTFUL business men are puzzled as to the inconsistency of those United States Senators who are leading the fight to put the Government into business. They propose more Federal Boards and Commissions while in the same breath they express contempt for present Boards and Commissions of their own making.

In their arguments for Boards to market the farmer's grain, to manufacture and sell fertilizer, to produce and distribute light and power, they pause to attack the integrity and ability of the Federal Trade Commission. "It is no longer responsive to the people; we can not trust it to investigate the public utilities," they exclaim.

Nor, they cry out, can the Shipping Board be trusted. "There must be unanimous vote in selling ships; we fear the machinations of a majority." And so it goes; the Federal Power Commission and the Mississippi River Commission are failures; the Interstate Commerce Commission has betrayed the people, therefore Commissioner Esch must walk the plank; the Tariff Commission must be drawn and quartered.

Yet in the midst of their arraignment of incapable, even treasonable Boards, they urge more Boards to fix the price of wheat and hogs; to sell power and light; to carry on in hazardous and intricate fields, fields fraught with a thousand-fold possibility of graft and favoritism.

If Bureaucracy with only regulatory power is untrustworthy, what will they

say later of Bureaucracy with executive powers?

Wherein does the assurance spring that new Commissions and Boards, appointed in the same way, confirmed by their good selves, will "be responsive to the people?"

It is an amazing spectacle. It leads one to the conclusion that such advocates are either the victims of their own muddy thinking or else are merely peddlers of political pap.

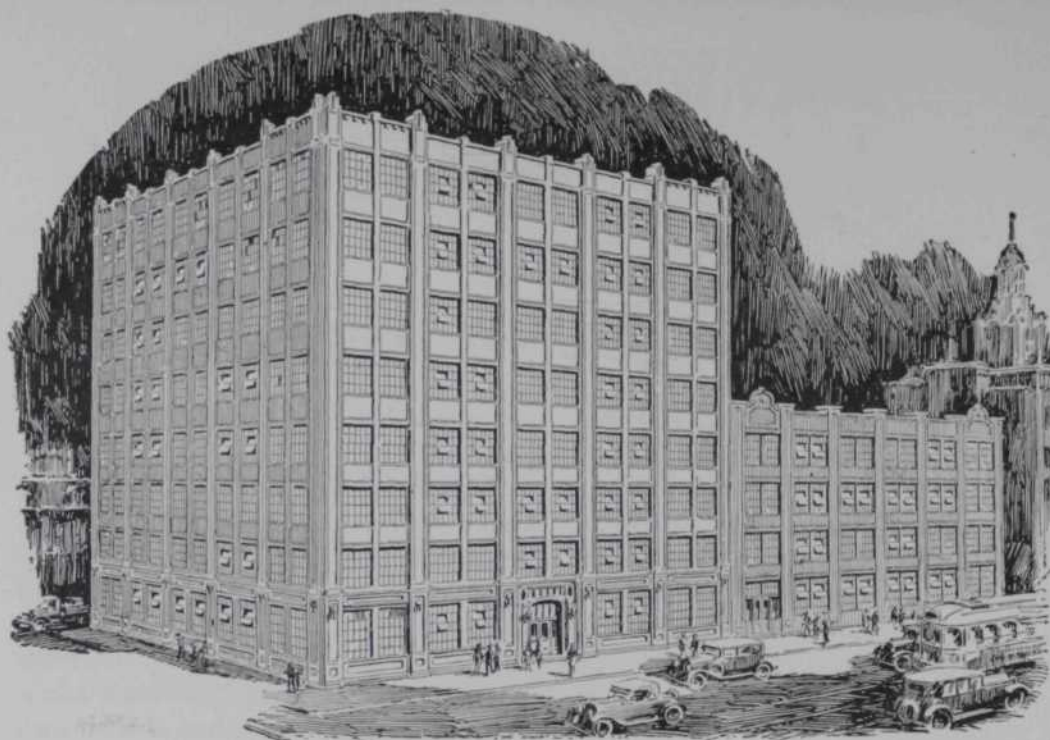
The President of the United States reminds us that "if the people are to remain politically free, they must be economically free."

The country is on the eve of a national election. An election, in itself, is evidence that we are still politically free. Yet the issues of this election will revolve around "prosperity prescriptions" which would deprive us of economic freedom.

Men seeking office will applaud themselves for their efforts to take away the economic freedom of their constituents. They will clothe their schemes of government operation by Boards and Commissions with sunny expressions such as "responsive to the people," but naked and unadorned such schemes are paternalism.

Paternalism is the rape of individual opportunity. And individual opportunity is economic freedom, which when it falls, will carry with it political freedom.

Merce Thorne



Speed and Economy in Building Commercial Structures, too

AUSTIN'S reputation for speed in the design and construction of big industrial projects is well known.

Equally important to business executives is the fact that the same speed and economy are being achieved by this organization on commercial structures.

The same complete nation-wide organization and facilities, the same efficient construction methods, the same time and money saving ideas are at your service for commercial work that have proved so effective in the industrial field.

When days count, Austin speed in design and construction saves you months. Furthermore, Austin can tell you, in advance, what your completed project will cost. Assistance in financing is furnished where desired.

Under the Austin Method of Undivided Responsibility design, construction, equipment and financing are all handled by this one organization. Total cost for the complete project, completion date with bonus and penalty clause if desired, high quality of materials and workmanship are all guaranteed, in advance.

Whatever type or size of building project you may be considering, it will pay you to get in touch with Austin. Approximate costs and other information will be furnished promptly. Wire, phone the nearest office, or mail the Memo.

THE AUSTIN COMPANY, Engineers and Builders, Cleveland
 New York Chicago Philadelphia Detroit Cincinnati Pittsburgh St. Louis Seattle Portland
 The Austin Company of California: Los Angeles and San Francisco The Austin Company of Texas: Dallas

AUSTIN

Complete Building Service

Memo to THE AUSTIN COMPANY, Cleveland—

We are interested in a

.....project containing.....sq. ft. Send me a personal copy of

"The Austin Book of Buildings." Individual.....

Firm.....City.....

NB 7-28

NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

Self-Regulation In Coal Mines



THE SOFT coal industry has been the bad boy of American business. Every Tom, Dick and Harry who had to deliver a "what's wrong with the world" address pointed the finger of shame at the producers of bituminous coal. It furnished the text for countless disquisitions on overproduction, underconsumption, price cutting, profitless prosperity, antiquated methods and all the other evils, real and imaginary, of business.

And with all their preaching and lecturing, all the preachers and lecturers brought up at this conclusion:

"Too many mines and too many miners."

Now one important unit, the Consolidation Coal Company takes a straight-forward step towards the goal of fewer mines and fewer miners. The company—and it is interesting to note that John D. Rockefeller, Jr., is one of its large owners—declares its faith that there is no salvation in cutting prices or in cutting wages.

The company has announced its intention to close its uneconomic mines and to lay off some 2,500 men, selecting those who could most easily find new employment.

But most significant is the appeal to other coal companies for support. The United States Chamber of Commerce holds as a cardinal principle that business should better itself, that that reform which starts from within and is accomplished without recourse to government is the best reform.

The Consolidation Company is carrying out that idea when it says in an address "to our fellow coal producers":

If the industry is to progress rapidly toward its rightful economic recovery, the Consolidation Coal Company believes each and every producing unit must make some sacrifice to that end. We speak only for ourselves and only in the spirit of friendly cooperation. The retention of the most economic mines, and the present elimination of the least efficient, adopted voluntarily as a general program seems to offer the speediest and most effective relief for all.

For years the soft coal industry has seen the number of miners grow and the number of days work for each miner shrink. There are mines where men work hardly two days a week and in the whole industry their average is not over 200 days a year.

If the bituminous industry can work itself into a better position, can put itself on a sounder economic basis with-

out an interstate coal commission, or price fixing or nationalization or any other increased government interference, it will merit the encouragement and the praise of all American business.

Some Way-Off Estimates



ON JUNE 1, the Treasury Department estimated the surplus for the fiscal year ending June 30, 1928, would be \$400,000,000.

That is a change over earlier estimates. In December, 1926, the Treasury estimated the surplus at \$200,700,000. In June, 1927, at \$338,000,000. In October, 1927, at \$455,000,000. In March of this year it had dropped to \$400,000,000, where it now holds. By the first of August we shall know the exact figure.

The discrepancy this year will not be as great probably as it was for 1927 when the Treasury estimated the surplus all the way from \$186,000,000 to \$383,000,000, only to wind up with an actual surplus of \$635,000,000.

It is interesting to note how closely the German Government estimated its receipts for the fiscal year 1927-28. Budget estimate was 8,460,500,000 reichsmarks and the receipts 8,490,394,754.

Great Britain also makes a remarkable showing. For the fiscal year ended March 31, 1928, it estimated receipts at £834,830,000 and expenditures as \$839,204,000. Its receipts were £842,824,000 and its expenditures £838,585,000.

Amazing accuracy abroad, wide discrepancy here. How much is due to the difference in financial methods and how much to the opportunity in this country to use a threatened deficit or surplus as a club over legislation!

Competition And Mergers



SOME two or three years ago this question was plumped at a man who had grown up in the automotive industry:

"How will the automobile business line up five years from now?"

He didn't hesitate a minute to give an answer:

"I expect it to be something like the retail dry goods business: Three or four big department stores and a small number of specialty shops."

The consolidation of Chrysler and Dodge recalls that prophecy. General Motors, with its list ranging from Chevrolet to Cadillac, is prepared to meet the price of any shopper for an automobile. Now Chrysler-Dodge

can offer a price range from under \$700 to nearly \$4,000, with many steps between.

The announcement of the Chrysler-Dodge merger set on foot all sorts of rumors of other combinations. The industry expects some but is inclined to discount any rapid or radical changes.

The automotive industry is no longer a new industry. Its place grows more settled. One need only look at figures of the gains in total truck and car registration to see the approach to stabilization. Here they are for the last five years:

	Gain Over Previous Year
1923.....	23 per cent
1924.....	17 per cent
1925.....	14 per cent
1926.....	10 per cent
1927.....	5 per cent

Few of us now need to be converted to the desirability of owning an automobile. No man asks another "Have you a car?" Instead he asks "What car do you drive and how do you like it?"

The industry is facing more and more the job not of selling a car to a man who has never had one but to wean him away from the one he has or to persuade him to add another to it.

There is much talk of a "two car market" and one enthusiast in the business has declared that the United States is not a two car, but a three car market. But it is worth recalling that in this country there is a car for every 5.86 persons in the United States and in California and Kansas one to less than three persons.

Congress and The Chamber



CONGRESS has adjourned until December and a campaign is on. What has this first session of the Seventieth Congress done for business and to business? Questions not yet to be answered in full and finally. A setting forth of what American business proposed to Congress through its representative, the Chamber of Commerce of the United States, will be found on page 38.

It is an interesting and impressive record of effectiveness. On taxation, on postal legislation, on alien property, on merchant marine, Congress has given heed to the voice of American business. On some points, the national legislature has been in accord with the position of American business as presented by the Chamber; on some it has differed, a result always to be expected.

But over and above all there are these facts for American business to keep constantly in mind; that the Chamber acts only as its member organizations direct and that it acts always in the open.

It is important for Congress to know what business thinks. It is for Congress to act upon that information as it sees fit. What the Chamber says to Congress it says also to the public. No member of its staff has ever asked a Senator or Representative to vote for or against a bill of which the Chamber approves or disapproves.

Socialists In Error



"THE World Tomorrow," which describes itself as "looking toward a social order based on the religion of Jesus," sums up the platform of the Socialist Party at its recent national convention and cites this as a reason for the need for a Socialist Party in these United States:

"Poverty for many while a few live in extreme luxury."

As untrue a statement as can easily be conceived. It should read:

"Poverty for a few while many live in luxury."

That there is poverty in the United States no one would deny. There is no higher goal before us than the lessening of poverty, but to describe this country as one where many live in poverty is far from the truth. And few in luxury? Look about you! Luxury, to be sure, is a matter of definition, but if an abundance of food, a plenty of clothing, ready means of entertainment and transportation, be components of luxury, then how great is the number of those about us who live in luxury?

We are a wealthy nation; there is enough to go around and it does go around more nearly than in any other country of which we know. There are here extremes of wealth and poverty but no such contrasts of misery and comfort as were accepted as inevitable a century or two ago or as are still accepted as inevitable in many parts of the world.

How rich are we? One engineering firm presents a figure of \$320,000,000,000 and points out that while our population has not doubled since 1890 our individual bank deposits have grown from 4 billions to 48 billions, or from \$64 per capita to \$400.

Trusts of Three Kinds



WE TALK of trusts in geometrical terms, using "trust," that is, in its popular sense as meaning a large corporation made up of a number of units previously independent. We are familiar with horizontal trusts, the combination of a number of producers of the same or similar kinds of goods. We hear much talk, also, of the vertical trust, the joining of units all the way from the raw material to the finished material and including, in some cases perhaps, the means of distribution to the consumer.

Paul Mazur in his "American Prosperity" points out a new type which he calls the "circular" trust, the link-together under one control of a number of products usually with some common denominator of use.

A notable instance is the Postum Company, which, beginning as a producer of cereal coffee, has recently acquired Maxwell House coffee and before that controlled a flour, a brand of chocolate, a gelatin, a tapioca, and other foods.

Interesting along this line was the recent report that the Gold Dust Corporation was acquiring control of the American Linseed Company.

The former makes washing powders, soap, shoe polishes and is interested in food products. The Linseed Company makes linseed oil, varnishes, oil meal and also is interested in food products.

Some day we shall have—perhaps we already have and do not know it—one company that clothes the man from head to foot.

Advertising by Circular Trusts



THE circular trust, if it becomes more general, will have some interesting problems in advertising and selling. General Motors which might be described as both horizontal and circular since it makes not only many kinds of automobiles but domestic light systems and electric refrigerators, has followed the policy of advertising each product separately and of carrying on simultaneously a campaign to build faith in General Motors as an

institution. Will Postum Company do the same? Will it advertise separately Postum and Jell-O and Swansdown Flour and Minute Tapioca and jointly the fact that the buyer may wisely and safely put his faith in one concern which makes and markets a wide variety of things to eat? Or will it try to put all its output together into a single advertising campaign?

It is an interesting speculation that the perfect male who now wears So-and-So's Suits on one advertising page of the magazine, Somebody's Shirts on another, Perfection Underwear on still another and Faultless Footwear on a fourth may some day appear on but one page as an even more perfect male wearing the same shoes, shirts, suits and underwear, but now all controlled by one circular trust.

A widening of this form of combination would mean, perhaps, a very considerable overhauling of sales forces. Can—or cannot—one man sell as successfully two kindred products—shoes and hats or flour and coffee—as he can sell one?

Retailers vs. **B**USINESS Manufacturers



at a standstill. We have mentioned advertising as it may be affected by the further development of the idea of the circular trust. Here's another thing that in the opinion of many thinkers is coming on the horizon for advertising.

There goes on always a conflict between the retailer and the advertised brand. The retailer dreads domination by the manufacturer who through advertising can dictate to the retailer what he shall put on shelves.

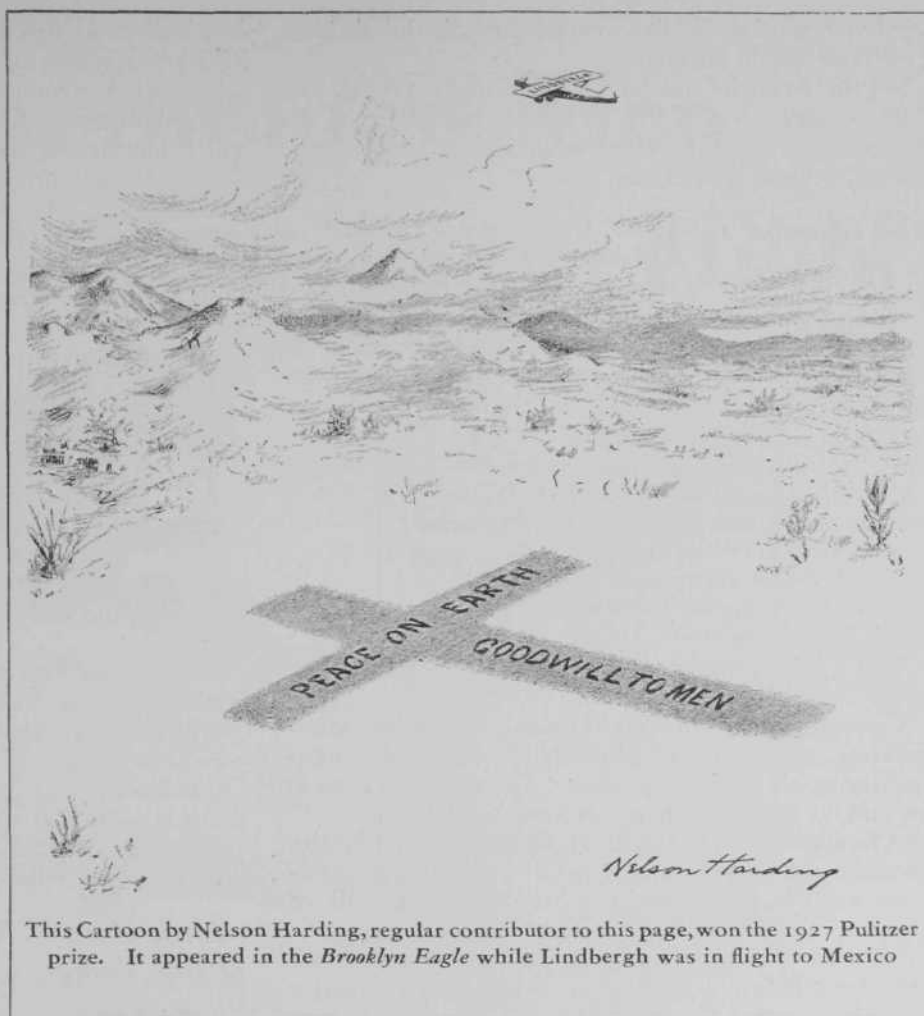
There might be reason for that fear so long as we had mass manufacturing and piece-meal retailing, but with the growth of mass retailing, in department stores whose turnover is \$75,000,000 a year, in chain stores, in mail-order houses, in group buying by retailers we have a new force and a new lineup.

Here's the picture of the advertising of the future that some men with speculative minds are drawing:

It is the faith of the consumer that is sought. To him the manufacturer says: "Buy my goods. Know them by the brand. I assure continuity of production from good material fashioned in the best manner. You can never go wrong so long as you look for my name and my label."

With that voice we are all familiar, but there is a new voice being heard. It is the voice of the mass retailer who says to the consumer:

"Trust me, the retailer. Don't let advertised brands disturb you. I am your agent and wherever goods are made and styles created, I am on the spot buying for you.



This Cartoon by Nelson Harding, regular contributor to this page, won the 1927 Pulitzer prize. It appeared in the *Brooklyn Eagle* while Lindbergh was in flight to Mexico

I am always at your service and always dependable."

A lively contest but not a battle in which one side or the other will win.

Fixing a States- man's Course



THE Chamber of Commerce of the United States serves many purposes. Among them it seems is the task of making up the mind, of formulating the policies of that distinguished statesman, the Hon. Smith Wildman Brookhart, Senator in Congress from the State of Iowa.

Senator Brookhart is our authority. As quoted by the Congressional Record he said:

"Mr. President, I have not any desire to fool the Chamber of Commerce of the United States. I am ready to figure out most any time what it wants and then go the other way as a safe general deduction."

It is no light responsibility that the Hon. Smith Wildman Brookhart places on the shoulders of the National Chamber. It can no longer decide on a policy or plan a program without realizing that whichever way it decides to go, the Senator from Iowa will be seen headed, full speed, in the opposite direction.

Hair and Hats



PITY the hair brush maker, but save some of your pity for the maker of hats.

The American Brush Manufacturers' Association met the other day at Atlantic City and discussed means of stimulating hair growth and discouraging the bob. One pro-

posals was a prize for the woman showing the greatest growth of hair in six months.

It's the boy who has hurt the hat maker, complains that industry. Youth will go hatless regardless of the weather, and fewer hats are worn and of those fewer, too many come from Italy.

The Chamber's Presidents



THE United States Chamber of Commerce has seen with regret a leader of American business retire as its president. It has welcomed a new occupant of that high office. It is a fitting moment to print again the list of those who have held the post:

Harry Wheeler, banker, Chicago.
John H. Fahey, publisher, Boston.
R. G. Rhett, banker, Charleston, S. C.
Homer L. Ferguson, shipbuilder, Newport News.
Jos. H. Defrees, lawyer, Chicago.
Julius H. Barnes, grain exporter, Duluth.
Richard F. Grant, coal, Cleveland.
John W. O'Leary, banker, Chicago.
Lewis E. Pierson, banker, New York.
William Butterworth, manufacturer, Moline.

A cross section of American business—banking, manufacturing, publishing, natural resources production, merchandising, all have had a place. The office has gone to the middle west six times, to New York but once, to New England once, to the South twice. Geographically the middle west has had more than its share. The presidency has not yet crossed the Mississippi. It will, of course.

But neither the geography as we know the map nor that newer geography of industry has been the major factor in selecting the leader of the Chamber. If ever an office sought the man that office is the presidency of the National Chamber.

Economics And Medicine



A DOCTOR once was asked: "On what are your charges based?" He answered: "There are no economics in a doctor's fees. They are a mixture of factors, the gravity of the operation, the difficulty of the task, its success or failure, the patient's financial status—these and other things play a part."

But if a doctor's fees are not based on sound economics, there are tremendous economic factors in the relations of his profession to the community.

At a recent session of the Congress of American Physicians and Surgeons it was declared that deaths from heart disease cost the country \$1,500,000,000 a year and that the care of such cases cost another \$100,000,000. How the learned doctors reached these figures we do not know but we accept them contentedly pausing only to note that that totals more than the wholesale value of electrical machinery made in 1925, according to the census of manufactures.

We pick out electrical machinery because Dr. Paul D. White of the Massachusetts General Hospital blames the automobile and the telephone and like accessories of modern life for the increase in heart disease and exonerates alcohol, tobacco, coffee and most athletics. So when the same newspaper tells us that we shall use 111 billion cigarettes in 1928 as against 97 billion in 1927, we breathe easier.

But the medical profession has other challenges to

economics. At first thought it is hard to find what the McNary-Haugen bill relates to the medical profession but here is the connection:

"Lack of medical attention is not least of the causes" which has driven the nation's farmers into the cities. This on the authority of Professor Franklin H. Giddings of Columbia, who sees "a serious national economic catastrophe" unless more doctors enter rural practice.

But if we have more doctors handy to the farms, we shall have more farmers and, if we have more farmers, we shall have more production. And how shall we take care of our farm surplus without a McNary-Haugen bill?

And that's enough about doctors for one issue.

Apples in Mass Production



THE apple, it is gratifying to note, is yielding to the demand for mass production, for concentration in larger units. The Department of Agriculture tells us that where there were 100 apple trees in 1910, there were only 64 in 1925 and still the supply of commercial apples has increased.

And to those who think that all apples come from our northwest corner, let us commend a study by the Bureau of Railway Economics of shipments of fresh fruits and vegetables averaged for the years '24, '25 and '26.

Our six leading apple states and their shipments in carloads are in this order:

Washington, 32,600; New York, 22,600; Virginia, 12,500; Illinois, 6,000; Oregon, 5,600; Idaho, 4,800.

Little Units of Big Things



WE THINK and talk of chain stores in terms of millions. On the day before Easter the Woolworth Stores sold \$2,328,796 worth of goods. Divide by dimes and nickels and think of the millions of articles that were carried home that Saturday. The S. S. Kresge stores in May alone sold \$11,000,000 worth of goods.

But here's another point of view. One of those statisticians who delights in reducing things, who probably takes more pleasure in the diameter of an atom than in the distance to a fixed star, started to divide. He took the net profit of one of the very largest of the chain stores and divided it by the number of stores. Then he divided again by the number of days the stores kept open.

He reached the astonishing conclusion that the stores of this highly successful chain made an average of \$3.63 a day.

"But," asks the keeper of the small rival store, "how many of us can pay ourselves living salaries, as the managers of chain stores must get, and still have \$3.63 left at the end of each day?"

As to "Pants" and Government

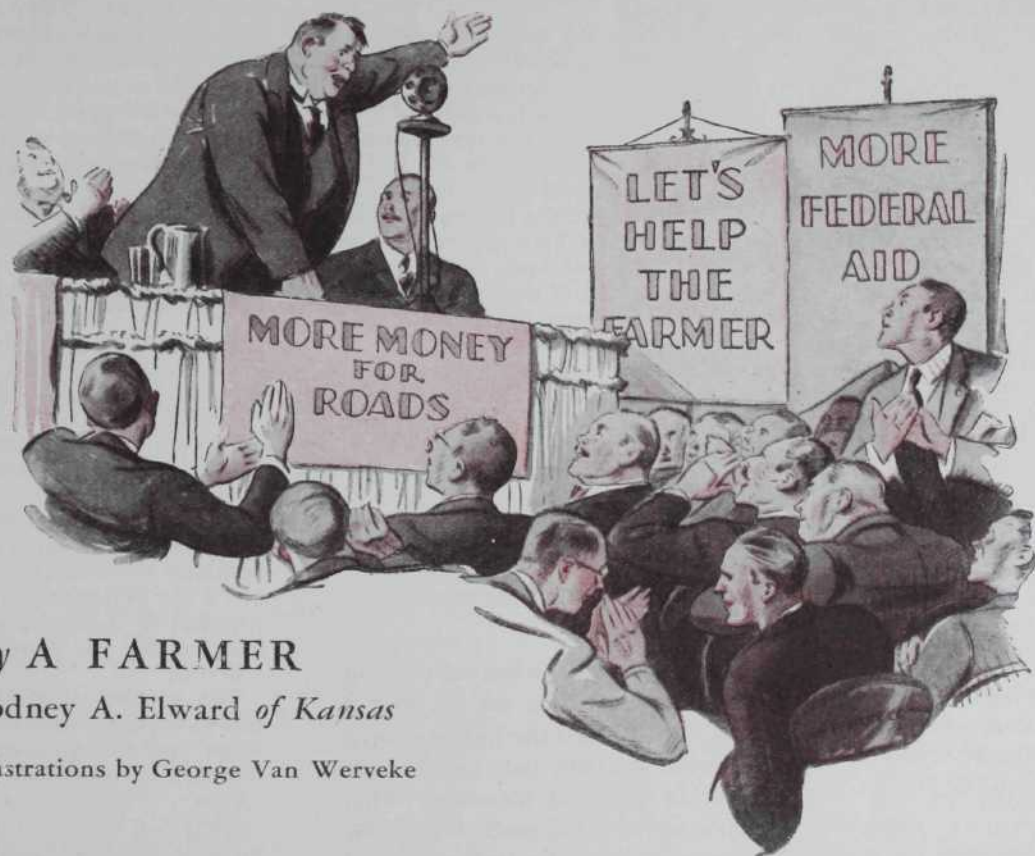


"WE," said the maker of men's trousers, "receive probably more real helpful support from the Government than any other industry. We are fostered and encouraged as is no other business."

"How," inquired the manufacturer of straw hats, "do you reach that conclusion? How, in briefer words, do you get that way? I see no Pants Department at Washington, no Secretary of Trousers."

"I get that way," said the producer of trousers, "by the simplest of reason. Venture forth pantless and see what the Government will do to you."

You Business Men Are Making Taxes High!



By A FARMER

Rodney A. Elward of Kansas

Illustrations by George Van Werveke

THIS PIECE is written about taxation from the standpoint of the land-owning farmers, probably the most conservative class on earth, and is addressed to the readers of NATION'S BUSINESS, who are not at all conservative, although they fondly consider themselves such, and who are responsible for most of the increases in taxation now going on.

The evils of the steady increases in taxation of all kinds are, or at least ought to be, apparent to any thinking person. President Coolidge stated the whole case in a message a few years ago:

Panacea of Low Taxes

"**W**E HAVE hardly an economic ill to-day which cannot be attributed directly or indirectly to high taxes. The prosperity of the people rests primarily on reducing the existing tax burden. No other action would so encourage business. No other legislative enactment could do so much to relieve agriculture."

Everybody will agree with President Coolidge except the beneficiaries of high taxation, and no argument would reach them. Therefore, the question remains why are taxes high and getting higher?

And what can be done about it?

There is much talk and writing about the tax problem. There is no tax problem. No such thing exists. The only people who have a tax problem are those who are trying to devise more and new ways to get money from the public treasuries into their own pockets, or to further their socialistic schemes. Let us nail this point down. There is no tax problem, but there is a struggle—a struggle between those who pay taxes into the public treasuries, and those who get money out of the treasuries. For the great majority of us, who are merely payers-in, there is no problem, merely a struggle. Those who are the drawers-out, of course, have the problem of devising new ways to get money, and ever more money in the old ways. That is the only tax problem there is.

Taxes are steadily increasing because a large and influential class of the popula-

"PATERNALISTIC schemes of government are agitated, not at farmers' meetings, but in business men's organizations. I have heard more socialism preached at meetings of commercial bodies than in socialistic gatherings. Yet business men shudder at the word *socialist*."

tion is personally and financially interested in getting money in various ways out of the local, state, and national treasuries. Most of these people strongly oppose any effort to reduce taxation for fear it will affect their incomes, or are actively seeking the imposition of new taxes because they expect to get public positions created by the new taxes, or to get

public contracts provided for by the new taxes.

We are told by a recent publication of the National Industrial Conference Board that for every ten persons engaged in private enterprise, one person draws salary or other support from some public treasury. And these figures do not include those having public contracts, nor their armies of employees.

Practically every one of this multitude, dependent directly on some public treasury for his income, exerts passive or active opposition to tax reduction, fearing

that his income may be affected. This is just as true of the multitude who have public contracts, and of their employes, whose number no one knows, as of those directly on the public pay roll.

In addition all these people have families, relatives and friends, who benefit from, and share in, public revenues, directly or indirectly. All such people, with a few notable exceptions, offer passive or active opposition to all tax reduction movements. Their number is probably twenty million, and such a multitude has a powerful influence on the various taxing bodies.

Extravagant Bureaucracy

BUREAUCRATIC government is stupid, inefficient, extravagant. Especially is this true when federal and state officials are interfering in the affairs of local self-governing bodies. This can well be illustrated by the story of the Hays Township schoolhouse door, which the writer has told at a hundred taxpayers' meetings. The story shows why taxes are high. The excuse for telling the story here is that thousands of just such incidents are happening everywhere.

In Hays township, Reno County, Kansas, is a certain schoolhouse. At a meeting of the County Board of Commissioners some years ago, a bill for \$22.50 was presented by the county physician for inspecting this school house. He had instructions from the State Board of Health to inspect all the rural school houses in the county, at the county expense. In other words, a state officer was ordering the expenditure of local funds. Bureaucracy again. The cost of this inspection was going to run into thousands. Nobody wanted it, nobody had asked it but a busybody bureaucrat at Topeka.

The county health officer informed the Board that there was no reason for this fifty-mile trip of his except orders from the state capital. He found nothing to report to his bureaucratic superiors except that the school house door had been taken from its hinges to serve as a model for a new door which was to be fitted in the door frame, and was so fitted later that same day. The absence of the door he reported to the State Board of Health on elaborate printed forms provided for the purpose.

The same day the County Superintendent of Schools had inspected the same school in the regular routine of his duties, and he also presented a bill, for the inspection, and reported the incident of the door to his bureaucratic superiors at the state capital.

Then ensued a winter of correspondence. The door incident took place in

September, and the correspondence lasted till the following spring. The state officials were clamoring for a door for the school house, and the local officers over and over again assuring the bureaucrats at Topeka that there was a door on the school building, but without making the slightest impression on the official minds. The reason being that, true to the traditions of their breed, the state officials who were ordering the local officers never read their replies, as the latter were filed away by a clerk.

Then in the following spring a high-salaried state officer was sent from Topeka, the state capital, clear to the Hays school, a round trip journey of five hundred miles, to learn by personal inspection that there was a door on that school house. The total cost of the whole matter to the taxpayers of Kansas was about one hundred and fifty dollars. All over a country school door. Multiply this incident by tens of thousands and we have one of the reasons why taxes are constantly increasing.

A more insidious, and probably more powerful class, which is constantly seeking the imposition of new and increased taxes is that class of semi-socialists, and believers in bureaucratic and paternalistic government. And it is this class to which the writer desires to direct the

THERE were times when in reading this article the editor sat up with a jerk. Can it be that the business man is the real socialist; that good roads are not an unmixed blessing? That the farm agent is not really wanted by the farmer? That the farmer himself resents the things that Government attempts to do for him?

Yet it is a refreshing point of view. It is a point of view of one who might be called a radical conservative, of one who carries individualism to an extreme. The very fact that it brought us up with a start is a chief reason why we present it to our readers, that they may see this unexpected point of view.—*The Editor*

special attention of the readers of *NATION'S BUSINESS*, for most of the members of this class are among the members of chambers of commerce and other business men's organizations, not among the farmers of the country.

These semi-socialists and believers in paternalism are the most dangerous advocates of increased taxation, because often they are not personally beneficiaries of the increased taxation they propose.

The land-owning farmers of the United States are intensely conservative, and the great advances in taxation in the last fifteen years, and the adoption of the numerous socialistic and paternalistic schemes of government have not been made at their demand.

These schemes are agitated, not at farmers' meetings and conventions, but in business men's organizations. I have heard more socialism preached at meetings of commercial bodies, than in socialistic gatherings. There are more socialists and paternalists among the business and professional classes than among any other kind of people. It does not change the facts that these business and professional men shudder at the word *socialist*, and think themselves good democrats and republicans.

Mankind is apt to think in labels, and if a man votes republican or democrat, he can preach socialism, and escape condemnation because he does not wear the label.

For example, one of the most pronounced socialists of my acquaintance is a former president of the Kansas State Chamber of Commerce and a member of the State Associated Industries, an organization of manufacturers. He calls himself a democrat, and deceives both himself and his friends because of his label. He is as absolute a socialist as Congressman Victor Berger of Milwaukee—and if Mr. Berger tried to make the same speeches in Kansas that this business leader makes, Mr. Berger could not get a hearing.

Like a multitude of others of his kind, this distinguished manufacturer is a socialist, and does not know it. There are thousands of other men like this manufacturer. The commercial bodies of the country are full of these subconscious socialists, and from them comes much of the demand for this new paternalism in government, and the increased taxation to pay for it.

Business Principles in Spending

NOW what can we do about it? The answer seems easy. Stop spending money. It is hard to stop people from spending other men's money. But it ought not to be hard to ask business to apply the same principles of spending tax money that it applies to spending money in its own field.

I have never bought a herd of stock or a new piece of farm machinery before asking myself, "Do I need it?" "Can I afford it?" "Am I getting my money's worth if I buy it?"

Can't the community put its money spending on the same basis? No. In nation, in state and in town, we are buying things that we don't need and cannot afford and often we are not even getting value for our money.

But we shall never stop this spending until there is a letting up of pressure from business itself through its organizations for an increased spending of public funds.

Now we have come to the hub of my
(Continued on page 94)

Business is Building Confidence in Itself

By HOWARD HEINZ

President of H. J. Heinz Company



THE United States Chamber of Commerce has been of immeasurable benefit to American business through its promulgation and unwavering support of the highest ethics and principles as applied to the relations between men.

Through its adoption of a "Code of Business Ethics" in 1924, and at its annual meeting in May, 1928, of a resolution which was in reality a declaration of faith "in the general integrity and sound ideas of modern business," it has widely heralded its views in respect to unscrupulous methods and questionable practices and has assumed a position which must command the respect and confidence of all concerned.

Simplicity in Business

IN THE early days of our country, industry and business were simply organized and locally conducted. They were personal and family matters. The relations between the employer and his workmen, between the merchant and his customer, were of a personal character. It was in that day that the old phrase "His word is as good as his bond" was born. A fine sense of business honor prevailed.

When the population increased, business expanded, contracts were made by word of mouth and often by telephone, customers were far removed and personal relationship ceased. A new spirit grew up,—not generally, of course, for there have always been business men who prized character above profit, who preferred honor to success bought at the price of dishonor; still, there were those whose desire for wealth was such that they were none too scrupulous as to the methods they employed to obtain it.

I well remember an incident that I once heard my father recall and which was far from being an isolated case. It was in the early eighties, when he reached his place of business one morning and growers of produce were making their deliveries of fruits and vegetables, that the new scale clerk remarked in a gleeful voice, "Mr. Heinz, I am getting good weights for you this morning."

When asked what he meant by that remark, the scale clerk explained that he weighed so quickly and so deftly that he was able to record a few pounds underweight with each weighing, without detection by the grower. He thought it was good business to cheat and that his employer would be delighted with such an accomplished servant.

It is hardly necessary to say that the young man found himself instantly at the cashier's window for his final pay envelope. He was taught the lesson, both by his employer's emphatic words and by his immediate dismissal, that it is good business not only not to cheat the man from whom one is buying, but rather to allow the scales to weigh in his favor.

About twenty years ago a noted lawyer stated in confidence that the corruption of business was appalling. "For," said he, "my office is crowded with those who

THAT CODES of ethics for relations between business and the public are more than mere words, and that business has no place for corrupters of Government officials were points made plain by Edwin B. Parker at the Annual Meeting of the National Chamber of Commerce.

Now comes Howard Heinz to tell us that the business man can enforce right principles in dealing with his own men and his own products just as in dealing with the public or the Government.—*The Editor*

either want me to get them out of the consequences of their misdeeds, or tell them how far they can go along crooked lines without getting into jail."

Does anyone know a prominent lawyer today who could make such a statement? How long would any one of our great producers remain in business could he not depend upon a steady demand for his products by people who had an absolute confidence in the integrity of the producer and his product?

It is largely due to business men themselves that there has been a return to the ideals of honesty and good faith which characterized the conduct of business in the days of its simplicity. They saw that it was necessary to abandon the old notion of "every man for himself" and the

devil take care of the hindmost." The necessity of confidence as the foundation of business stability is seen more clearly than ever before. In the modern complex world, reliance upon the good faith of others is absolutely indispensable.

Golden Rule for Business

THE kind of confidence required cannot be created by merely preventing the illegal. It can come only from those standards of business conduct that spring from fundamental integrity, a right conception of business as a service to the community and a consciousness that the foundation of ethics is nothing less than the Golden Rule. No formula can dissolve all the trouble in the business domain, but more and more business men are becoming infected with these ideas and beliefs.

Andrew Carnegie wrote these words in his autobiography:

"A great business is seldom, if ever, built up except on lines of the strictest integrity. A reputation for 'cuteness' is fatal in great affairs. Not the letter of the law, but the spirit, must be the rule. The standard of commercial morality is now very high. A mistake made by anyone in favor of the firm is corrected as promptly as if the error were in favor of the other. It is essential to permanent success that a house should obtain a reputation by being governed by what is fair rather than what is merely legal."

If the same principles which have generally been accepted by successful business men were practiced by the nations of the world in their dealings with one another, we should have a happier and more prosperous world in which to live. May it have been in Mr. Carnegie's thought to apply this code of business ethics to the nations of the world when he established his great Endowment for International Peace?

The ethical code for business must recognize the proper relation of business to the community—that of a servant and not a parasite. A business has no right to succeed, no right to exist, unless it fills a community want in a fair, honest and efficient way.

Simply that one engages in business does not entitle him to remain in business unless he renders a real service. It is not a real service to offer to a community goods at a price that yields an unconscionable profit. The manufacturer or merchant does not serve the community as it is in all fairness entitled to be served, unless he supplies his goods at a price which is a fair equivalent for the article furnished.

My conception of an ideal motto for industry is "To produce a thing that the world needs, to make it the best that can be made, to get it into the hands of the largest number of people and to charge a reasonable fee for the service."

Business ethics require every industry to meet that test.

The source of the Golden Rule is not the Bible; its source is the human heart. It is natural law. It is enlightened common sense. Its application is always successful. "Every man takes care," said Emerson, "that his neighbor does not cheat him. But a day comes when he begins to care that he does not cheat his neighbor. Then all goes well." Those words are merely a rediscovery or restatement of the Golden Rule.

The question of ethics in business must deal with the relation of employer and employee, and where is there a more important relationship in business? Labor and capital are partners. Partners need to know each other's viewpoint if they are to get along well together. The directors of great business enterprises must add to their ability as financiers and organizers, the faculty to get along with other men. They must have a keener sense of social justice and fair dealing, for the labor problem is a great human question.

The other side of this conception of the true relationship is that the employees are much more likely to be profit-producing than those who work under unethical conditions. This is manifested in the new point of view of organized labor leaders, to advocate the abandonment of the system of restricted output and to encourage increased output, for the simple and

Thus right ideals in the matter of labor relationship become a great propelling force of progress.

As an illustration of the benefits of ethical standards in industrial relationships, there is the Endicott-Johnson Company, where the president, George F. Johnson, affectionately known among his employees as "Daddy" Johnson, has introduced methods that have set up a system that may be truly characterized as "Industrial Democracy."

There are provisions for round table meetings, where representatives of the employees discuss frankly and without reserve, with company officials, conditions in the industry. The results have been such that a prominent labor leader said that if all industry were conducted as is the Endicott-Johnson Company there would be no need for such organizations as the Federation of Labor.

Employees Are Partners

THE culmination of the system has been a partnership in earnings, for after ten per cent of the earnings on capital actually invested has been set aside for the owners, the remainder is divided equally between the stockholders and the employees. There are now a number of corporations which make this kind of distribution of earnings.

The results of such representation plans seem to me to prove beyond doubt that where an employee is given a chance to be heard and is accorded such treatment as to win his confidence in the fairness of the court in which he is to be heard, the possibilities of misunderstanding are lessened, and the communistic and socialistic appeal becomes negative.

The code of business ethics which has grown up in the practice of business men is being put into written form from time to time by trade associations and other organized groups, and it is thus becoming definite and better understood.

There is a tendency in America for business to regulate its own conduct and correct its own abuses, to give effect to the slogan, "Less government in business, more business in government." The thrusting of various regulatory commissions by law into the machinery of business has been irritating and has convinced business men that the best way out is to do the job themselves through conference, mutual understandings and agreements.

If American business proves its capacity for self-government, I maintain that federal and state governments can no longer justifiably interfere.

Several years ago the Chamber of Commerce of the United States promulgated a Code of Business Ethics, which was a brief, concise, but comprehensive statement of fifteen principles which would

(Continued on page 102)

"ONE morning in the early eighties the new scale clerk said to my father in gleeful voice, 'Mr. Heinz, I am getting good weights for you today.'"

"He weighed so quickly and deftly that he recorded a few pounds underweight with each weighing. He thought it was good business to cheat."

"The young man found himself instantly at the cashier's window for his final pay envelope. By his employer's emphatic words as well as by his immediate dismissal he was taught that it is good business not only not to cheat the man from whom one is buying, but rather to allow the scales to weigh in his favor."

obvious reason that the more there is produced the more there will be to divide.

When management begins to practice a fair division, labor responds with an impulse to larger production, to the benefit of all,—labor, in larger earnings, which mean a higher standard of living and greater freedom for the higher and finer things of life; capital, in larger profits through larger sales; and the public, through lower prices that result from reduced costs due to larger production.



A Declaration for **Economic Independence**

By CALVIN COOLIDGE

WE ARE especially prone to call on the National Government to take over our burdens, and with them our freedom. Through regulations and commissions we have given the most arbitrary authority over our actions and our property into the hands of a few men. Some of this has been necessary to prevent those who are weak from being overcome by those who are strong. But it is a procedure fraught with considerable danger and should only be adopted as a last resort.

There is one field, however, which belongs to the people, upon which they have uniformly insisted that the Federal Government should not trespass. That is the domain of private business.

Society requires certain public activities, like highways and drainage, which are used in common and can best be provided by the Government. But in general the country is best served through the competition of private enterprise. If the people are to remain politically free, they must be economically free. Their only hope in that direction is for them to keep their own business in their own hands.

Our theory of society rests on a higher level than Communism. We want the people to be the owners of their property in their own right. We recognize that they are all capitalists by nature. We want them to be all capitalists in fact. That result is being approached rapidly. Our system is demonstrating by practice that it works.

The theories which are advanced to entice the people into handing their private affairs over to the Government do not take into account all the facts: The fundamental characteristics of humanity are not going to be changed by substituting government action for private enterprise. The individual who manages the one, with all his imperfections and his selfishness, will have to be employed to manage the other.

The very essence of business is the expectation of a profit on the part of those who conduct it. Government is conducted from an entirely different motive. When business is in private hands, it is expected to be run for the benefit of the owners. When the

Government steps in, the purchasers, users, and beneficiaries of what the Government undertakes to supply insist that the concern should be conducted for their benefit. It does not eliminate selfishness; it simply transfers it in part from the seller to the purchaser. Under these conditions it ceases to be a real business, becomes lacking in enterprise and initiative, and does not have any motive to provide improved service.

Flowing out of these unavoidable conditions, if the Government gets into business on any large scale, we soon find that the beneficiaries attempt to play a large part in the control. While in theory it is to serve the public, in practice it will be very largely serving private interests. It comes to be regarded as a species of government favor and those who are the most adroit get the larger part of it. Men in public life are besought to secure places of employment for some persons in their locality and favorable contracts for others.

The situation rapidly develops into a position of entrenched selfishness, where a great body of public employes and large outside interests are in virtual control, with the general public paying a high cost for poor service. With all the care that it is possible to exercise, a situation of this kind becomes entangled in favoritism and is always in great danger of causing corruption and scandal.

If it is desirable to protect the people in their freedom and independence, if it is desirable to avoid the blighting effects of monopoly supported by the money of the taxpayer, if it is desirable to prevent the existence of a privileged class, if it is desirable to shield public officials from the influence of propaganda and the acute pressure of entrenched selfishness, if it is desirable to keep the Government unencumbered and clean, with an eye single to public service, we shall leave the conduct of our private business with the individual, where it belongs, and not undertake to unload it on the Government.

From an address by President Coolidge to the thirty-seventh Continental Congress of the Daughters of the American Revolution in Washington, April 16, 1928. The title is ours.—The Editor

MODERN merchandising is the beneficiary, the direct heir of education—the education of the masses. That is why the modern merchant must be keenly alive to the incessant expansion of education.

For five centuries, but most notably in the last two, education has been creating a new consciousness and stirring the race to new desires and aspirations. It has inspired mankind to improve material conditions—to seek to refine the three primal necessities, food, clothing and shelter, the three fundamentals of merchandising until recent times.

Education Makes Distinction

THE momentum of education has produced in recent decades a fourth necessity which has become a fourth fundamental of merchandising. This is the craving for distinction—call it love of luxury—which is now widespread and profound among the masses, and which, carried forward by the impulses, tastes and desires of emancipated woman, has rather completely revolutionized merchandising methods. Within twenty-five years the old traditions of the merchant have gone by the board.

Here are reasons why the modern merchant must be something more than a mechanical buyer and seller of fixed commodities. To meet and to satisfy the new desires and aspirations of the masses—even more, to anticipate these desires and aspirations—he must himself be educated. He must know what people in all parts of the world are thinking and doing. His interest is not only in the innovations in the material objects in daily use; it is also directed to changing political systems, to developments in the arts and sciences and to social customs of peoples.

The newly educated masses are aware of these developments and are keenly interested in them. They develop new and fresh desires and tastes from their knowledge and understanding of them. Their purchasing activities are spurred by them. The modern merchant must therefore be equally or even better informed. He must develop a scholarly breadth of view and a deep acquaintance with



There's a Market

By SAMUEL W. REYBURN

President of Lord and Taylor, and the Associated Dry Goods Corp.

peoples ancient, mediaeval and modern. He must sense and keep abreast or even keep a little ahead of every trend. He may no longer be of that dull company of whom Kipling speaks:

And little folk of little soul
Rose up to buy and sell again!

He must, indeed, be fired with the spirit of that other company:

I snatched their toil to serve my needs—
Too slow their fleetest flew for me,
I tired twenty smoking steeds,
And bade them bait a new for me.



The present urge of merchandising and the function of the modern merchant is best conceived by brushing the dust from pictures of the past.

In the days of the Phoenicians and of the Carthaginians; in the times of the Byzantine Empire and on into

the eras of the merchant republics of Genoa, Florence and Venice, and still on into the age of the gold-lusting Spaniards and Portuguese—on into comparatively modern times, in fact, the masses gained little. All of these rich voyagings in strange seas and to strange lands went to better and to refine the food, clothing and shelter of the lords and masters of mankind and to endow them and them only with that fourth urge to effort, the craving for distinction, that yearning for luxury, which is now the right and property of the masses; that peoples' fundamental with which the modern merchant has to deal.

For education, the cornerstone of merchandising today, had not then been seeded in that poor soil upon which the masses dwelt; or, with the Crusades, had barely been sown. Those half-political, half-religious adventures into the East which we call the Crusades gave the masses their first step upward on the ladder from the dull and spiritless depths of the past.

To achieve their ambitions for adventure and conquest, the Crusaders were



of Distinction, Too

Decorations by Charles Dunn

forced to buy men and money, and to pay for these commodities in privileges. The privileges they granted struck chains from minds as well as from bodies, and newly freed men sought instinctively to improve themselves in knowledge and in material well being. Slowly they sought education, which inspired them with increased aspirations both material and spiritual. And when the Crusaders came back from the East, they came with arts and sciences that were new and strange to Europe, inspiring a yet more passionate craving for improvement.

Necessities Not Enough

IT WAS then that the masses began to sense a material need for something more than the primal necessities, food, clothing and shelter. They yearned to improve these conditions, but they began to feel for the first time an ambition for distinction—that inclination to rise above the herd. And they began to go to the merchants to satisfy their needs.

The masses were just beginning to learn

how to work and to save and to buy.

Out of this increase in the powers of the average man came two of the greatest aids to business in modern civilization: first, the increased consumption of goods of all kinds; and second, the growth of general credit and a new method of securing capital and organizing large numbers of individuals to conduct big business enterprises.

The monopoly on sources of learning so long enjoyed by the wealthy and powerful was broken more than two centuries ago, but it is only within the last hundred years in America and the more progressive countries of Europe that the less fortunate classes began to derive great benefits from general schooling, and that their desires began to expand under education.

Until about eighty years ago, the merchants of America continued to deal only in the three primal necessities. There was little demand for beauty and luxury—for distinction. We were a new people in a new land. The country was colonized

and settled by a race who sought, first of all, for the truth.

The Puritans had little use for beauty or the marks of distinction. They did not countenance aspirations for beauty for its own sake. They frowned upon such desires, considering that they smelled a little of brimstone. The essentially truthful, however crude, and the severely practical, however ugly, occupied the minds of these pioneers. It is a conception of life which still lingers among us, and it is amusing to consider, for example, how long it took Henry Ford to reform the appearance of his automobile.

Then came a period of the pursuit of power—a period which still endures but which is beginning to be ameliorated by the pursuit of beauty and a new love of distinction. And that amelioration began, so far as the merchant is concerned, with the emancipation of the feminine mind. It may be said to have had its origin in Ohio in 1843, when three women were graduated from a college, but its powerful influences have been felt only in recent years with the extraordinary broadening and expansion of woman's activities.

The education of women, their political enfranchisement, their entry into business and the professions, their complete social emancipation, in

(Continued on page 67)



The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's

THOUGH not especially active in trade, because the weather was too cool and wet, May was far from dull. Among interesting happenings, two things seem to stand out.

One was the cautious and yet resolute action taken by the Federal Reserve Bank to curb the dangerous speculation in stocks, which had nullified any effort to curb it by the Exchange plan of four hours a day for five days a week.

The other was the perceptible improvement in crops which hurried the movement of fruit and vegetables to market, bettered the Southwestern wheat outlook and gave corn and to a certain extent spring wheat a fairly good start. This laid the foundations for future basic improvement in agricultural affairs.

Securities—Farm Products

While these two happenings operated to bring about lower prices—security dealings shrunk and quotations receded, while farm products, especially wheat, eased off—the process was in a great measure gradual. Possible trouble was thereby avoided and the return of both securities and farm products to a safer condition was aided.

Though the old bogey of "political uncertainty" was one of the causes assigned for the reaction the evidences of credit strain, as a contributing, if not indeed leading, cause, were rather too plain to be disregarded.

As June advanced therefore, the average American turned from watching the stock and other speculative markets to look—and wonder—at the old yet ever new game of presidential politics. It is probable that the latter will afford the usual lot of thrills and meanwhile the advance of the season for a better volume of lagging retail trade and for a good basis for future general business.

Of trade, crops and industry in May and early June it may be said that May was a better month than April and better than either April or May a year ago in many respects.

With all the drawbacks, it is still to be thankfully remembered that we are not facing the weather conditions of the Spring of 1927 with the vast floods in the

central valleys, the acute problems of providing for hundreds of thousands of homeless and the certain knowledge that these conditions must have had important effects upon trade, not only in those areas but all over the country.

Wholesale distribution in May was not

was just about even with the latter. The two lines combined gained only 4.6 per cent over the fifth month of 1926.

The gain for five months of 1928 of 12.4 per cent in chain store sales compares with an increase of only 6.4 per cent in sales of mail-order houses.

The preliminary report of the Federal Reserve Bank for May, 525 stores reporting, shows a gain of 4.2 per cent, this following a decrease of 4.6 per cent in May a year ago from the like month of 1926. With one day more in May this year than last, this gain does not look impressive.

Building Permits—Steel

In industry, May saw a rather sharp upturn, 6.8 per cent, over a year ago, in value of building permitted for, this gain by the way, being accounted for almost entirely by New York and Chicago. Building permit values are about 1 per cent below 1927 to date, and 9 per cent below 1925 and 1926.

Pig iron output, daily average, was a shade less than in April and 3 per cent below May a year ago, whereas steel ingot output, while 9.5 per cent below April, was a trifle larger than in May, 1927. For the five months pig iron output was 5.5 per cent below a year ago, and steel ingot was 3.5 per cent above last year's record total.

It is not surprising to learn that, although a few kinds of steel, notably sheets, are weak, pig iron prices are the lowest since 1915, which is construed to mean poor sledding for merchant iron furnaces. Sales of English and Lake Erie iron in Chicago and Milwaukee are

curious happenings.

In soft coal the average daily May output was nearly 1 per cent behind the same month last year, despite the fact that the strike was then on.

Car loadings in May, swelled by belated shipments of ore off the Lakes, where navigation was a month late, averaged just 1,000,000 cars a week, but fell 2.4 per cent behind the like month of 1927, and 3.3 per cent below 1926. In April with a 3.5 per cent reduction in car loadings from a year ago, gross railway earnings fell 4.9 per cent and net operating income dropped 4 per cent from last year. It

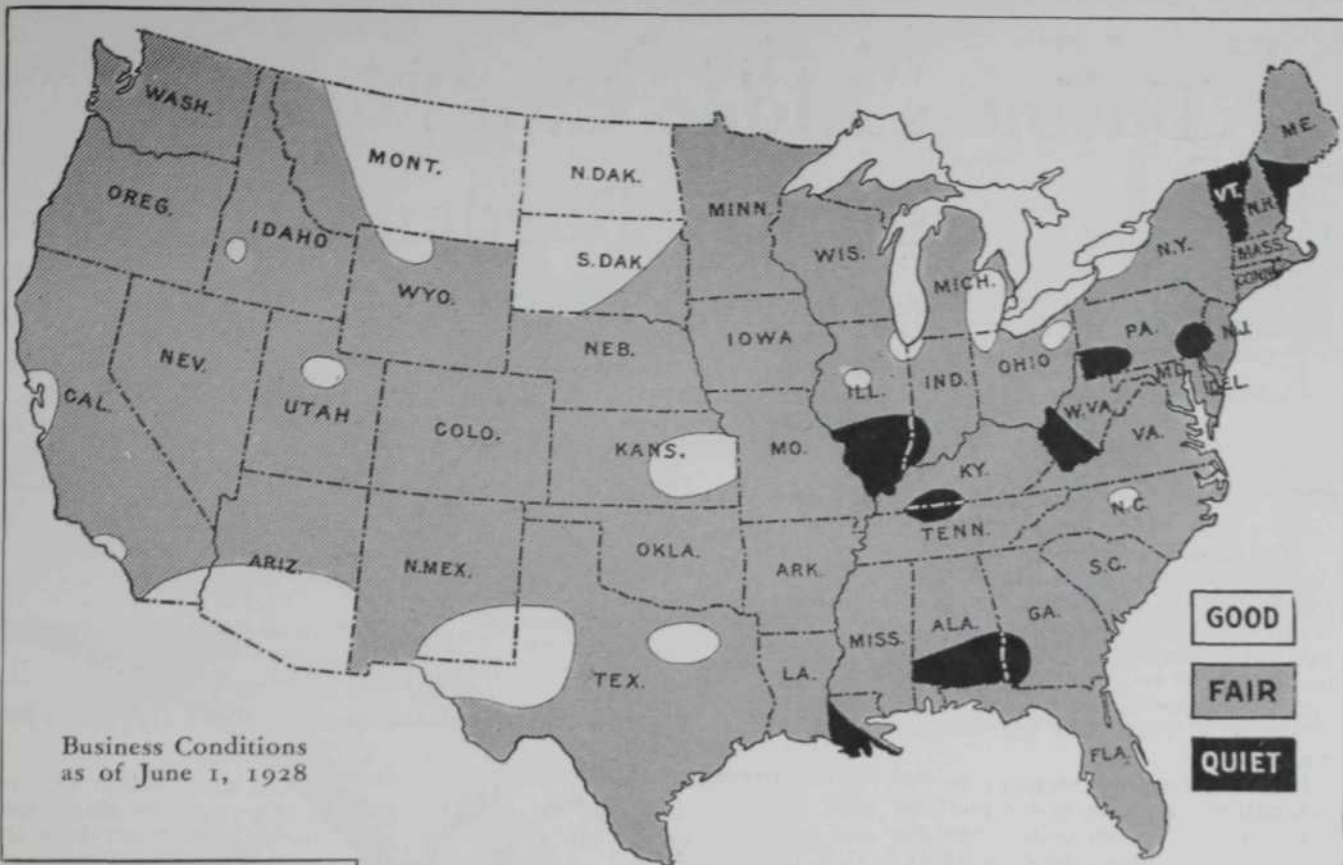
BUSINESS INDICATORS

Latest month of 1928 and the same month of 1927 and 1926 compared with the same month of 1925

Production and Mill Consumption	Latest Month Available	Same Month 1925 = 100%		
		1928	1927	1926
Pig Iron	May	112	116	119
Steel Ingots	May*	126	117	114
Copper—Mine (U. S.)	April	98	101	104
Zinc—Primary	April	109	106	109
Coal—Bituminous	May*	102	100	111
Petroleum	May*	107	111	91
Electrical Energy	April	132	124	112
Cotton Consumption	April	88	104	97
Automobiles	May*	95	96	100
Rubber Tires	March	129	119	103
Cement—Portland	April	98	102	90
Construction				
Contracts Awarded (36 States) Dollar Values	May	129	107	105
Contracts Awarded (36 States) Square Feet	May	116	89	102
Labor				
Factory Employment (U. S.)—F. R. B.	April	93	97	101
Factory Pay Roll (U. S.)—F. R. B.	April	96	101	103
Wages—Per Capita (N. Y.)	April	102	105	104
Transportation				
Freight Car Loadings	May*	108	102	103
Gross Operating Revenues	April*	100	105	106
Net Operating Income	April*	106	111	114
Trade—Domestic				
Bank Debts—New York City	May*	166	119	101
Bank Debts—Outside	May*	123	112	105
Business Failures—Number	May	98	102	91
Business Failures—Liabilities	May	114	105	98
Department Store Sales—F. R. B.	April	96	105	97
Five and Ten Cent Store Sales—4 Chains	April	125	125	103
Mail Order House Sales—2 Houses	May	136	114	114
Wholesale Trade—F. R. B.	April	87	92	96
Trade—Foreign				
Exports	April	92	104	97
Imports	April	100	109	115
Finance				
Stock Prices—20 Industrials	May	172	134	111
Stock Prices—20 Railroads	May	148	137	110
Number of Shares Traded In	May	227	126	64
Bond Prices—20 Bonds	May	106	105	103
Value of Bonds Sold	May	82	99	73
New Corporate Capital Issues (Domestic)	May	273	261	103
Interest Rates—Commercial Paper 4-6 months	May	117	106	103
Wholesale Prices				
U. S. Bureau of Labor Statistics	April	95	92	98
Bradstreet's	May	96	91	94
Dun's	May	100	96	96
Retail Purchasing Power, July, 1914=100.				
Purchasing Power of the Retail Dollar	Apr. 1928	62	61	59
Purchasing Power of the Clothing Dollar	Apr. 1927	58	58	57
Purchasing Power of the Food Dollar	Apr. 1926	66	65	62
Purchasing Power of the Rent Dollar	Apr. 1925	61	58	57

(*) Preliminary

Prepared for Nation's Business by the Statistical Dept., Western Electric Co., Inc.



seems possible, therefore, that May will also return small decreases in gross and net despite the extra business day this year.

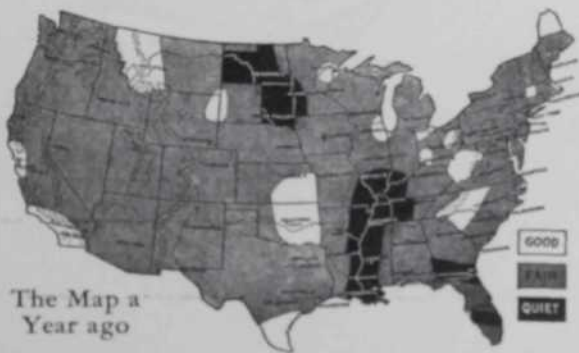
Failures—Prices

Space will not permit detailed description of some of the other happenings in May, but it might be noted that that month saw more failures but smaller liabilities than a year ago; that the general Commodity Price Index dropped 1.8 per cent from May 1 to June 1 with seven groups out of 13, these including breadstuffs, hides, live stock, textiles, metals, naval stores and oil, going lower; that bank clearings and bank debits showed enormous gains, mainly at New York, solely because of active stock speculation and that takings by silk mills were larger than in any previous year in May.

It is possible that with the New Bedford cotton mill strike and the widespread curtailment of production elsewhere, the 15-per-cent decline from a year ago in cotton mill takings shown in April from a year ago may be equalled.

In April crude oil production fell off but gasoline output broke all records.

In electrical production April also broke all records for total



THE map this month is slightly lighter, mostly in the surplus crop producing states, particularly in southwestern winter-wheat areas. Buying of combine harvesting machines is reported active, and implement buying generally seems the best in years. The area of Kansas, Missouri and Oklahoma has improved on curtailed production and higher prices for lead and zinc ores. In soft coal districts, conditions are quiet.

output for the month. Of this output 43 per cent was made from water power, a new high record. An estimate that it would have taken 2,700,000 tons of coal to generate the quantity of electricity produced in April by water gives a sidelight on the benefits of abundant rain to the electrical industry and on the effect upon the coal industry of the substitution of water for its product in electric generation.

Net earnings of public utilities in April constituted 38 per cent of total gross earnings as against 36.7 per cent in April a year ago, while for four months the proportion was 39 per cent as against 37.3 per cent a year ago.

Finance

Money rates rose in May. Federal Reserve rediscounts rising from 4 to 4½ per cent at most branches, while open market rates rose about .5 per cent, and call money reached 7 per cent on several days in June. Stock market averages, however, closed for May with little change, and industrials actually rose 6 points, whereas in the first week of June railways dropped more than 3 points and industrials 5 points. Bond averages fell 1½ points in five weeks. A summary of

(Continued on page 81)

Business Alone Can Equalize the Tax Burden

By THOMAS S. ADAMS

Professor of Political Economy, Yale University

Cartoon by Rollin Kirby

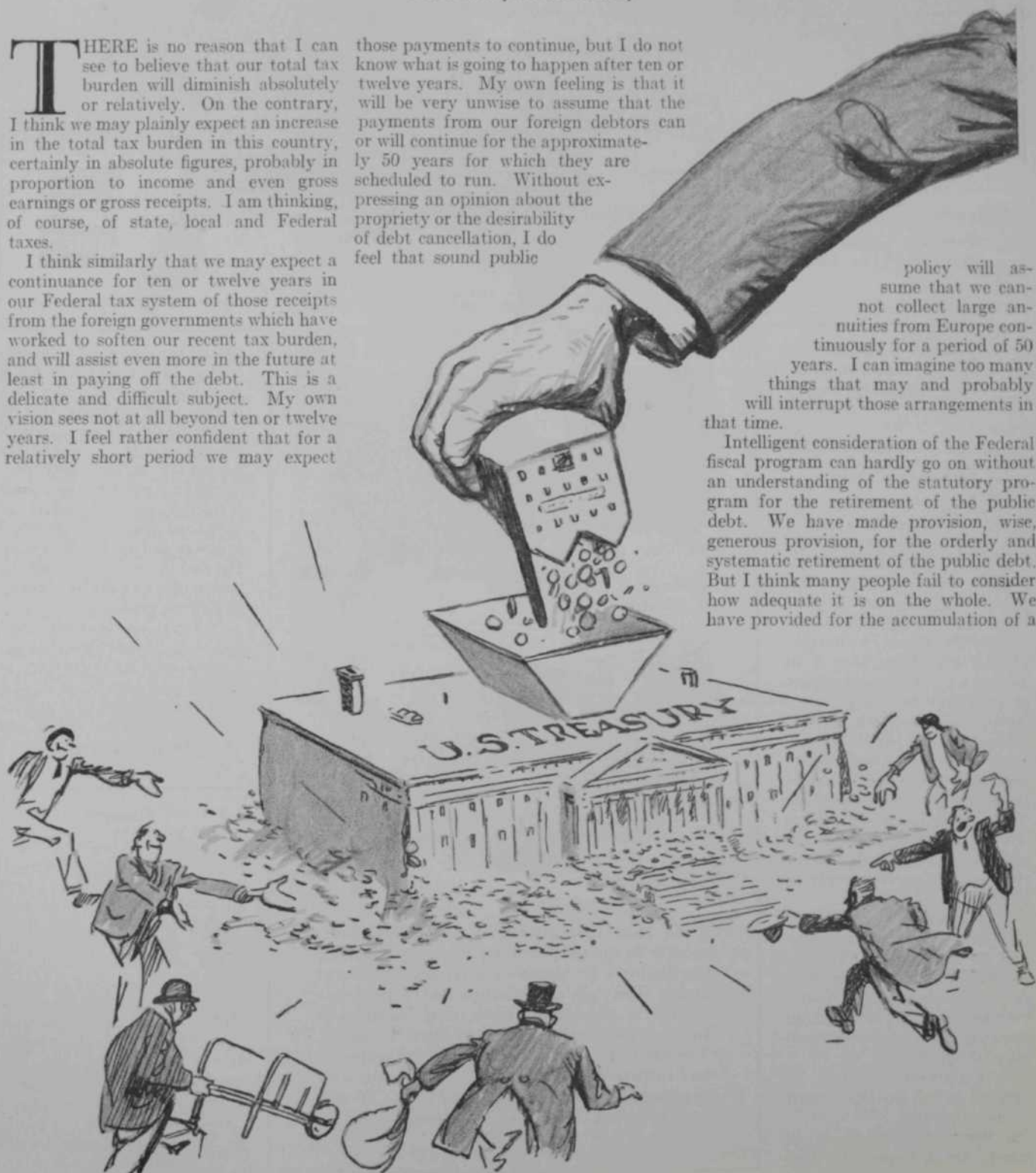
THERE is no reason that I can see to believe that our total tax burden will diminish absolutely or relatively. On the contrary, I think we may plainly expect an increase in the total tax burden in this country, certainly in absolute figures, probably in proportion to income and even gross earnings or gross receipts. I am thinking, of course, of state, local and Federal taxes.

I think similarly that we may expect a continuance for ten or twelve years in our Federal tax system of those receipts from the foreign governments which have worked to soften our recent tax burden, and will assist even more in the future at least in paying off the debt. This is a delicate and difficult subject. My own vision sees not at all beyond ten or twelve years. I feel rather confident that for a relatively short period we may expect

those payments to continue, but I do not know what is going to happen after ten or twelve years. My own feeling is that it will be very unwise to assume that the payments from our foreign debtors can or will continue for the approximately 50 years for which they are scheduled to run. Without expressing an opinion about the propriety or the desirability of debt cancellation, I do feel that sound public

policy will assume that we cannot collect large annuities from Europe continuously for a period of 50 years. I can imagine too many things that may and probably will interrupt those arrangements in that time.

Intelligent consideration of the Federal fiscal program can hardly go on without an understanding of the statutory program for the retirement of the public debt. We have made provision, wise, generous provision, for the orderly and systematic retirement of the public debt. But I think many people fail to consider how adequate it is on the whole. We have provided for the accumulation of a





sinking fund of about \$350,000,000. Next year that will be some \$370,000,000. To that we add the payment from our foreign debtors, running to \$175,000,000 or \$180,000,000 in the present year or next year. There are some other miscellaneous receipts, so that we get considerably in excess of \$500,000,000 a year for the retirement of the debt, to be exact \$537,000,000 for the fiscal year 1928 and \$541,000,000 for the fiscal year 1929.

Foreign Payments for Debt

THERE is some question as to whether amounts paid as interest from the foreign governments must necessarily be devoted to debt retirement, but the consensus of opinion is that they should be used to reduce our debt. They have been so used, and I think it is probable that at some near session of Congress legislation will be passed requiring the foreign payments both on account of principal and interest to be used in debt settlement, and I think that is wise. In short, then, we will have an arrangement by law which calls for the orderly automatic retirement of the public debt in the amount of, say \$540,000,000 this year, and that amount is increasing annually and will increase during the next 15 or 16 years until it will average \$750,000,000 a year, all this without any increase from surpluses.

That is what we are doing as a matter of course. In the past we have very greatly exceeded this statutory program of debt retirement by the accumulation of unexpected surpluses. These unexpected surpluses have averaged in the eight years from 1920 to 1927 about \$335,000,000 a year, and in the last five years they have averaged more than \$400,000,000

"TO corporations just out of the red and to thousands of others that are earning only three, four or five per cent a year, a Federal tax of 12 per cent is a real burden," says Professor Adams in this article.

"Taxation is fundamentally a contest between taxpayers and tax spenders. The building up of huge surpluses invites the spender to the feast. The present program is a capitulation in advance. One of the greatest evils of the policy is acquiescence in a viciously high corporation tax rate."

000 a year. The surplus for 1927 was \$635,000,000 over and above the requirements of the statutory program.

The estimated surplus this year will be \$401,000,000. These amounts have similarly been used in the retirement of the debt.

I do not believe we can expect surpluses of \$500,000,000 to appear frequently in the future, but I think that we shall have some surpluses, surpluses at times of material size. But on the whole these surpluses will exceed any deficits which may possibly be sustained.

I look at least to the continuance of payments from our foreign debtors for ten or fifteen years, to make possible the maintenance of the statutory program of which I have spoken, and I look to that statutory program alone, to result in the extinguishment of our entire national debt in about 21 or 22 years from now. By 1950, therefore, if we have no great national emergencies such as a major war, I think we may fairly look to the extinguishment

of our national debt, including that part of the debt which was contracted for the purpose of making advances to our European Allies.

Nor do I see any reason to expect a raid upon the sinking fund. There has been in some quarters a conscious or unconscious assumption that we must look forward to increasing public Federal expenditures; that they will become very great in the future, so great that it will be impossible to raise taxes to meet them and that Congress will take the easy way and do what may roughly be described as "raid the sinking fund." That assumption, I should think, is entirely erroneous. I believe there are few things to which the

American people are more fully and wholeheartedly committed than to the maintenance of our sinking fund provision.

Bad Estimates a Habit

I THINK we may expect, further, a recurrence of what I have referred to in the past as mistaken estimates. The estimates upon which Congress has acted have been very wrong in the past. In 1927, when planning in accordance with our statutory program to extinguish a little more than \$500,000,000 of debt, we had in addition a surplus of \$635,000,000 which was also used to extinguish the debt. In that particular year the error in our measurement exceeded the magnitude to be measured.

It has been stated that both the statutory program and these errors are in accordance with a policy by which the Treasury Department or the Administration hopes to maneuver the United States into a position in which it may be possible

(Continued on page 88)



II. Unrecorded Moments in the History of Business

HOMER J. WILBUTTER, President of the Universal Thingamajig Manufacturing Company, discovers that the need for a conference is simultaneous with the desire to explain to an old friend how he cut his average of putts to seven on a green. Meanwhile, seven salesmen get a chance to make up sleep.

Thanks largely to Mr. Wilbutter's brilliant seizure of the opportunity, "the conference" has taken its definite place in American industry.

The Railroads Are Getting Together



The great station in Washington, D. C., shared by all the railroads that bring visitors to the capital

FAIRCHILD

By J. FREDERICK ESSARY

Washington Correspondent, The Baltimore Sun

A FEW WEEKS ago half a score of American business men sat around a large and highly polished table in the Pennsylvania Railroad terminal in New York. They looked long and thoughtfully at great maps spread before them, fingered from time to time papers covered with figures in columns and in tables, rustled other papers upon which odd-looking diagrams were drawn, talked in even tones back and forth for a few hours, then adjourned for lunch.

This group, from appearances, might have been a meeting of the board of directors of any large corporation bent upon plant extension or considering an increased dividend or engaged in an analysis of an annual report. But it was not. Instead, it was a conference of the executives of the great railway systems in the Trunk Line Territory. And before that conference adjourned for lunch, more than 58,000 miles of line, the property of some sixty railway companies operating through the richest traffic producing area in the world and valued at perhaps \$8,000,000,000, had been divided into four parts.

This reshuffling of the cards in the Eastern transportation field, however, was not so simple a matter as it sounds. Far from it. Before that "bridge" deal, so to speak, could be concluded almost revolutionary action by Congress had to be taken, suspending the anti-trust laws as applied to the railroads. Countless hours had to be devoted to a balancing of traffic, earnings, terminals, lateral lines

AMERICAN Business, through the National Chamber, has approved permissive railroad consolidations. It stands also for the principle that business manage itself. Mr. Essary shows in this article what the railroads themselves are doing and are planning to do to get together

and main lines. Bargains had to be made and concessions granted. Deadlocks had to be broken and a fifth wheel of the cart had to be jettisoned.

Nor is the railroad consolidation in the East to be regarded as a consummated proposition, merely because the giants in the equation, that is, the Pennsylvania, New York Central, Baltimore & Ohio and Nickel Plate, have agreed upon a partition of this transportation empire. They must still satisfy the Interstate Commerce Commission that their plan is in the public interest. They must reckon with the smaller roads which they would absorb. They must not isolate any unprofitable short lines. And they must recognize the rights of minority interests in the properties they hope to acquire.

Progress Toward Mergers

BUT THESE powerful railways have moved far in the direction of a regrouping of the rail lines in their territory, much farther than they themselves believed possible a year ago. They have compromised their major differences. They have met the demands of the recalcitrant

Pennsylvania Railroad, on the one hand, and, on the other, have joined in outlawing the proposed fifth trunk line, engineered and stoutly defended by President L. F. Loree of the Delaware & Hudson Railroad. By these steps they have maneuvered themselves into sight of the Promised Land.

It has taken eight years to arrive at that point. For it was as long ago as 1920, that the Congress of the United States, listen-

ing with one ear to the clamor for Government ownership of the railroads, and with the other, to the shouts for compulsory consolidations as had been ordained in England, steered a doubtful course between the two.

That body in the enactment of the Esch-Cummins Act, authorized voluntary mergers of the carriers in continental United States into a limited number of systems, stipulating that in so far as possible the competitive principle should be preserved and that the Interstate Commerce Commission must be the final judge of all unification projects.

Both Congress and the country-at-large had realized certain very tangible benefits that had flowed from Government control and operation of the American railroads during the World War period. Joint use of terminals was among these benefits, as were the elimination of unnecessarily long hauls, administrative economies, and the lessening of purely destructive competition.

In the hope of continuing and capitalizing these benefits, without resorting to Government ownership, Congress re-

versed a Federal policy which, since the Northern Securities decision, had stood squarely in the way of the consolidation of competing railroads. It was a bold move which Congress made—a veritable somersault. But it was one in which the country quickly acquiesced, particularly those conservative elements which were anxiously regarding the growing sentiment for the socialization of the inland transportation system of the nation.

Experiment in Unification

THE situation which Congress had to face—and it is historically important—was just this: The Federal Government during the war had taken over the railroads and had placed them under a director general. He had unified their operation, profoundly changing the use of terminals, freight and passenger rates, wages and the routing of traffic. Also vast sums of money had been advanced by the Government for the improvement of various roads and for the purchase of equipment at high prices.

Congress had passed an act providing for the termination of Federal control within a period of 21 months and the director general had appeared before the House and Senate Committees recommending that the period of control be extended to five years to allow adequate opportunity to work out possible economies and to demonstrate the value of unified operation.

The Interstate Commerce Commission considered every phase of the problem and sent Commissioner Clark to represent it before the Committees. Statistical studies of every sort were made and after many months of hearing and discussion, Congress finally passed the Esch-Cummins Act. It was a candid compromise, not going to the extent of enforced consolidation as the Senate Committee proposed, but going beyond the House position, by directing that the Interstate Commerce Commission make a plan of unification, then invite the railroads voluntarily to consolidate.

There is no doubt that the influence of the Commission was decisive and that in very large measure the plan of voluntary consolidations now in effect is the child of that body. The Commission believed then, and it still hopes that the whole railroad problem so far as unification is concerned will work itself out automatically under the power now granted to the Commission to take the initiative and to the railroads to follow on.

Although they heaved with relief that the Government had definitely retired from the field of transportation, the railroads were slow to take advantage of the consolidation privilege which a generous Congress had accorded them. They held back, each watching the other and all of them watching the Interstate Commerce Commission. Either their new freedom seemed too good to be true or too true to

be good. But the Commission was less demure. Authority had been given to that body to prepare a tentative plan of consolidations into a limited number of systems, this to serve as a basis for future negotiation on the part of the carriers. Before exercising that authority the Commission engaged Professor William Z. Ripley, of Harvard University, to suggest a plan and after many months of study his recommendations were laid before the Commission and the country.

Professor Ripley arbitrarily divided the country into five transportation regions to wit: The Trunk Line Region, Chesapeake Bay-Lake-Soft Coal Region, Southeastern Region, Western Transcontinental Region, and Gulf Region. Within the first of these regions he provided for five systems to be built around the Pennsylvania, Baltimore & Ohio, Erie, New York Central and the Nickel Plate railroads.

Within the second he would have created three systems, the Chesapeake & Ohio, Norfolk & Western, and the Virginian; in the third, the Southern Railway, Louisville & Nashville, Illinois Central and Seaboard Air Line systems; in the fourth the Union Pacific, Burlington, Chicago, Milwaukee & St. Paul, Santa Fe and Southern Pacific Systems; in the last, the Frisco and the Missouri Pacific, a total of nineteen systems within the five regions. Also he proposed three independent regional groups, one in New England, one in the Michigan peninsula and the third to

as the Central of Vermont. Like the Ripley plan, it was confined to Class I railroads, but notice was given that the so-called "short lines" would have to be taken in eventually. Unlike the Ripley plan, only nineteen systems in all were proposed.

These nineteen systems were briefly indicated as the New York Central, Pennsylvania, Baltimore & Ohio, Erie, Nickel Plate-Lehigh Valley, Pere Marquette, New England, Chesapeake & Ohio, Norfolk & Western, Southern, Atlantic Coast Line-Louisville & Nashville, Illinois Central-Seaboard, Union Pacific-Northwestern, Burlington-Northern Pacific, Milwaukee-Great Northern, Santa Fe, Southern Pacific-Rock Island, Frisco-Katy-Cotton Belt, and Chicago-Missouri Pacific.

Gigantic Merger on Paper

THUS in a single printed paragraph—by the stroke of a pen, one might say—a few more than two hundred American railroads operating approximately 200,000 miles of line, are merged into nineteen systems. But they are merged only on paper. Seven years have passed since that colossal program was proposed to the owners of the transportation companies and to date exactly one great merger has been worked out by the carriers and validated by the Commission.

That is the Missouri Pacific System, the shining example to which the Commission always points when impatient salesmen or importunate patrons of the railroads ask embarrassing questions. Against this achievement is the fact that the Commission has vetoed the Loree Southwestern merger of the Kansas City Southern, Katy and Cotton Belt, and turned thumbs down on the original Van Sweringen proposal to consolidate the Nickel Plate, Erie, Pere Marquette, Hocking Valley and the Chesapeake & Ohio, and has approved a consolidation of the C. & O. and the Pere Marquette, but denied the Van Sweringens the right to include the Erie in the deal.

The Missouri Pacific project is of interest showing how unlike a dream a reality may be. Professor Ripley proposed to merge into the Missouri Pacific system the

Kansas City Southern, International Great Northern, the Texas and Pacific, a part of the Katy and a part of the Chicago & Eastern Illinois. The Commission in its tentative plan gave the Missouri Pacific all these lines except the Katy and added the Kansas City, Mexico & Orient, Fort Smith & Western, Louisiana & Arkansas, and the Gulf Coast Lines.

When the merger actually took place it embraced the original Missouri Pacific, the Gulf Coast Lines, the Texas & Pacific, the International & Great Northern and a half interest in the Denver & Rio Grande, the other half being held by an ally, the Western Pacific.

(Continued on page 90)

“EVERY great railway system in the country is primarily the result of consolidations. Hundreds of short lines have been absorbed by them. There are more than 90 corporate entities in the Pennsylvania System alone.

“When the time comes for the Interstate Commerce Commission to validate the colossal combinations now in the making, the ubiquitous short lines which are still out in the cold must be provided for”

be erected around the Florida East Coast Railway.

Thus another step was taken in the direction of gigantic railway mergers.

The Commission received Professor Ripley's plan and advertised it, then drafted and formally promulgated a tentative merger scheme of its own. This was the first purely official move and although the plan was labelled "tentative" it put the burden squarely upon the railroads to produce something better.

The Commission scheme recognized no geographical regions. It sought to minimize dismemberment of existing lines and systems. It excluded certain roads which are controlled by Canadian carriers, such

Why Do Men Fail?

By HERBERT COREY

Illustrations by Stuart Hay

"SOME men surround their premises in gloom as thick as a harbor fog. They grow timid when they see the balance dwindle. They refuse to keep up their stocks.

"A customer is an odd, wary, temperamental bird. If the store is a happy cheerful place, and if he is met with a smile, he buys. If the proprietor lurks in a corner, the customer says he came in only to ask the time"



NINETY-FIVE per cent of those who go into business fail."

That's a fine welcome on the mat. If it is true, arson is safer than groceries. A New York detective chief once said that seven murderers out of ten get clean away. More than five per cent of the aviators who tried succeeded in flying the Atlantic. Sixty-eight out of one hundred aspirants think they have learned how to play the saxophone. More statistics on the top shelf. Reach them down for yourself.

But is it true?

Maybe. No one knows. That sort of thing cannot be proven. Fred Voiland of Topeka, Kansas, said that the average life of a Kansas retailer is three years. Bradstreet's reports show that a fraction less than one firm in one hundred has failed in business annually for the past forty-seven years. No one knows how many men were in the bankrupted firms and companies. But Bradstreet does not include professional men, stock brokers and real estate dealers, some of whom have compiled really brilliant busts. The Bradstreet definition of a failure, too, is that "it must involve some loss to creditors."

To creditors. Mark the word. No account is taken of the man who sold the

south forty, opened a garage, and eventually closed the garage and went back to the farm. Nor the young man who borrowed money from Father before and after taking charge of a commercial enterprise.

Nor of the young woman who hurried home from college to open Ye Youngge Redde Henne Teahouse and paid the losses from Mother's butter and egg money. They were all failures, of course. Perhaps there are as many failures of this almost clandestine sort as of those eligible to a Bradstreet registry. No one knows.

Nor does anyone know how many of those who did not fail in 1927 had failed in some other year.

That adage that "95 per cent of the men in business fail" seems to be optional. You can believe it if you want. Or you can lay off sausage and cakes in the morning and look on the bright side. Even the recording angel does not total up the number of those who did not precisely fail in business. They just closed up

after getting an eyeful of red ink. "The business," they say, "seemed to have no future. Or if it did, we did not like it."

What Bradstreet's does know, though, is that the 20,267 failures of 1927 in the United States involved liabilities of \$653,-

000,000 plus and that in seven years the liabilities of known, stud-booked, water-marked failures rang four and one half billion dollars on the wrong side of the ledger. That seems excessive. For that much money we could fight quite a sizeable war. Especially if we did not loan too much money. We could put concrete highways through every county in the United States and have enough money left to build waterpower plants to light them. Here's the worst of it.

Fault of Those Who Fail

FOUR-FIFTHS of that four and one-half billion dollar loss was the fault of the men who lost it. Somehow they failed to measure up.

Get that. One fifth of the loss, and one fifth only, could be properly charged to crop failures and floods and forest fires and unmeetable competitions and the acts of God and the Public Enemy. And to the failures of debtors who had been considered solvent. That counts up \$900,000,000.

Three billion six hundred thousand dollars were lost in seven years because the men who lost it were themselves to blame. With that sum we could create a merchant marine that would be a whiz. Hire enough judges, policemen and witnesses to stop bootlegging. Put sideboards on the Mississippi. Straighten the kinks in the distribution system.

Add to that \$3,000,600,000 the un-



"If he is met with a smile, he responds like a fireman on a brass pole"

known other sums lost by men who got in and got out of business. Who paid up and shut up.

No one knows what the total net loss in business has been in this year or this decade. No one can know. Whatever it was it was useless. Like throwing good gold dollars into the Bay of Fundy. A waste compared with which all other wastes seem like putting dimes in a bank. For much of it was avoidable. Perhaps most of it was avoidable. No one got anything out of it except lawyers and bailiffs. Or not to speak of.

It is true that an asset account is to be set against that liability total. But when that asset account is charged with depreciation and the loss of a market and changes in fashion and the cost of collection and this, that and the other, the actual loss is not far short of the red ink-sum as set down. Ask anyone who has been a creditor often enough. He'll tell.

Why were the failures in 1927, to quote again from Bradstreet's, "81.5 per cent chargeable to the individual and only 18.5 per cent to non-personal causes?"

Why do men fail?

A. T. Stewart was a great merchant in New York. When he died his successors failed to make his business pay. Then John Wanamaker took it over and made it greater. On the same site, too, and in spite of a shift in population due to changing conditions.

John Daniel had a comparatively small store almost under Wanamaker's eaves. He was evidently in the wrong place.

be sold for three cents more than it costs then the sale of many cans of corn will produce plentiful profit. They do not count the cost of taking the can off the shelf. Nor what the corn-eaters think about it.

Studied the Business

AFTER B. H. Kroger, later owner of a chain of grocery stores, had driven a delivery wagon for a time, a new store was opened in the neighborhood. That was the last straw for his employers. They had been losing money steadily, they saw nothing but ruin ahead and they decided to quit. Kroger was just a boy, but he had been talking to housewives. He knew what they wanted, what they would pay, and he had ideas which only needed exercise. His employers heard him with sorrow:

"We have \$1,500 left," they said. "Well, when we quit the grocery business we will still be in possession of that same money."

Kroger bought an old horse and rented a little room and began to sell where his former employers had stopped. His horse collided with a railway engine the very first day, which was bad for the horse but not discouraging for Kroger. Everyone knows that he made good. Yet his knowledge of groceries and the neighborhood should have been less than that possessed by his former employers. He knew, somehow. Study brought him something. It only gave his primary bosses a headache.

business. She did not locate her rooms until she knew there was trade ahead. Then she held on.

More failures are due to lack of capital than to any other cause. Bradstreet's report 34.9 out of each hundred merchants sink because the money box is not deep enough. More than one in three. The case might be stated more strongly. Of the 22,283 failures of 1927 in the United States and Canada 21,401 had very moderate or no credit rating. Of these 8,979 failed for less than \$5,000. In the \$5,000 to \$20,000 class there were 8,756. Therefore 17,735 of the 22,283 failed for less than \$20,000.

"I am doing a good business," said John Gault. "It is an outrage to close my doors."

All true. He had a good location, a well arranged and fitted store and a first rate stock. But he had not thought around the bend in the road. He spent more money than he had anticipated in getting started. Then trade did not find him immediately. A fire and a failure in his neighborhood crippled some of his prospective customers. His modest drawing account for household expenses came out of money due creditors. He could not take advantage of discounts. If he had been well seasoned in business his creditors might have carried him, but he was on his own for the first time.

"We will close," they said. "While we can get something of what is due, before we lose it all."

Overextension Takes Capital

NOT generous, perhaps, and not businesslike, perhaps, but there you are. They did not know John well enough to risk him farther. Another beginner made a profit from the outset. His trouble was that his customers rated too high socially. Hardly had he opened than the man across the street rushed in:

"I want a silver-rimmed gadget," said he.

The next man demanded a ruby-eyed whingus. The storekeeper knew these things were in demand by the exclusive trade and so he ordered a dozen of each. Then the outcry for gadgets and whinguses fell completely off. The same thing applied along other lines. He overextended himself. If he had had a fatter bankroll he could have pulled through with scars, because he was all right in every other way. But his cashbox had a high bottom. There was a call for everything he had, but not call enough.

Sometimes the lack of capital works in another way. But it usually works. One man had a good store, a good location and a good trade. Competition was stiff, but he did not mind that. He knew his hardware to the last rivet. Then a call came for a line of goods he had rarely handled. His banker shook his head at his statements.

"You are overextended right now," said the banker.

Well, he was overextended. Yet sales were waiting to good customers. The

(Continued on page 72)



"Herman Somebody got a job sweeping out. When he had saved \$186, he dropped his broom and began peddling"

Prophets of doom marched past platoon front. Yet he succeeded. His son followed him. He succeeded, too.

Smith, Jones, Brown and Robinson failed where Stewart, Wanamaker and Daniel succeeded. Why?

Here is a generalization before we get down to specifications. Men fail because they do not think. They operate by rule of thumb. Their heads have features on the front and hair behind and ears east and west, but nothing inside but faith, hope and charity. If a can of corn can

A young woman in New York has had a striking success with tea rooms. Ordinarily the rate of mortality in operating Oolong cases is about that of the Black Plague. Perhaps it is because the tea room is so often equipped with a faded flower of gentility and a hope for matrimony. But let that go. This young woman has taken a loss at the outset on every tea room she has opened. In the end they always paid. She knew her

Tangling the Wires

By HERBERT N. CASSON

Cartoons by Tony Sarg

A COMMITTEE of three competent business men were, by some odd chance, asked to make a complete investigation of the methods of the British Post Office in handling its Telegraph Department.

They agreed. They were admitted inside the walled city of British bureaucracy. They turned the light on the dark interior and they made discoveries that have startled Great Britain and brought confusion upon the socialists.

They prepared a report. The Post Office pigeon-holed it for two months. It was not expected to be made public. But the press demanded its publication and it is now known to everyone.

It is the first report of its kind that has been made upon the British Post Office for forty years.

Report by Able Men

THE three investigators were Sir S. Hardman Lever—a widely known financier; Lord Ashfield, the organizer of London's system of transit; and Sir Harry McGowan, of Nobel Industries, Ltd.

These three men are at the top of British business. They are directors in companies with hundreds of millions of capital. There can be no appeal from their decision, as Great Britain would be combed in vain to find three abler men.

They studied the Telegraph Department with the eyes of experts. They judged it by the ordinary standards of efficiency in commercial life. Here is what they found:

(1) An organization that was designed

to give a service of speed to the public, but which is hopelessly slow in all its activities.

(2) An incurable inertia that has resisted all attempts at improvement.

(3) Over-staffing in all branches.

(4) No dismissal for inefficiency.

(5) No rewards for greater efficiency.

(6) A waste of from 20 to 33 per cent.

(7) Too many supervisors and paper-pushers.

(8) No first-class engineer.

(9) No standardization of apparatus.

(10) Promotion by seniority, not by merit.

(11) No salesmanship nor advertising.

(12) Only 60 per cent of the staff engaged in operating work. Two clerks are required to supervise three.

Managers Without Management

THEY found that in this walled city of bureaucracy the so-called managers do not manage. There is no management in the commercial sense of the word.

The managers can neither reward nor punish. There are no incentives and no penalties. All alike, from heads to office boys, are in the iron grasp of rules that they cannot alter. Promotion, like rain,

THE slowest boys on the streets of London are telegraph boys with bunches of urgent telegrams. The British Telegraph Department under government management is dying ungracefully. It is being superseded by the telephone. Half a century of bureaucracy has killed it.

falls alike upon the just and the unjust. This, says the report, is the main cause of the inertia that has petrified the Department.

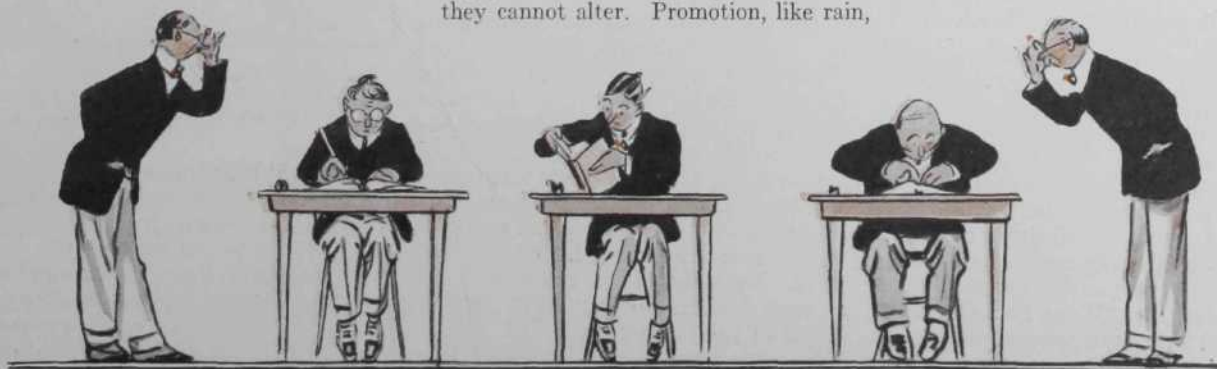
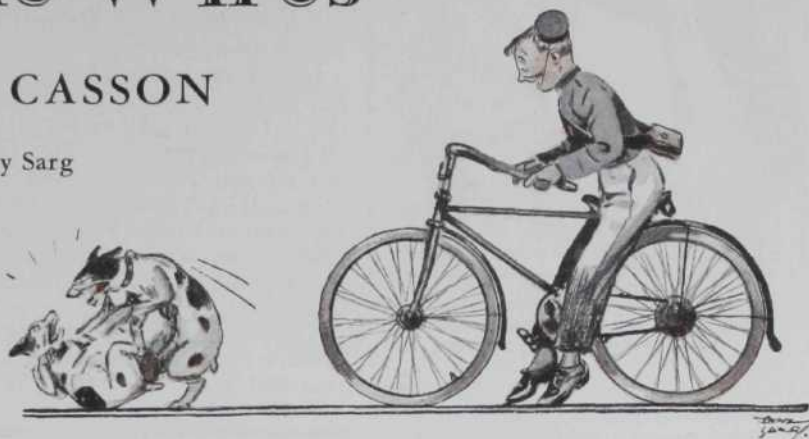
To the great surprise of the public, it was discovered that telegrams are not delivered as soon as they click in on the wires. They

are tossed on shelves. They are held until a batch accumulates. Then they are delivered.

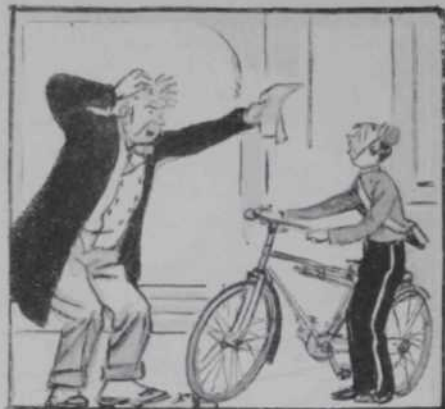
A man may have been run over in the street. He may be lying in a hospital, with only two hours to live. A telegram is sent to his wife. It is held for two hours in the local Post Office. When his wife arrives, he is dead. Such is the bureaucratic method of handling telegrams in the British Isles.

Actually, so this committee of three business men discovered, the telegraph system has been postalized. The telegraph boys have routes and hours of delivery. Speed has been sacrificed to the routine of Post Office clerks.

As everyone in London knows, the slowest boys on the streets are the telegraph boys. If you see a boy, wearily



Every three clerks have two supervisors



Irate British citizen decides to complain at headquarters about bad telegraph service

pedaling a bicycle at six or seven miles an hour and trying to go more slowly, he is a telegraph boy with a batch of urgent telegrams in his pocket.

In the British telegraph service, there is no such thing as a quick courteous service, such as the Postal or the Western Union gives in the United States.

Rush telegrams are never welcomed. There are slow, sleepy, semi-hostile clerks. The public is constantly irritated by a number of annoying regulations.

When I go to send a telegram, for instance, I am compelled to buy a stamp and to stick it on my telegram. The clerks refuse to affix stamps. If I send a telegram on Sunday or Good Friday or Christmas, I must pay a higher fee.

Only one telegram out of every seven is sent by telephone. I have a house telephone, but I have never yet, in fourteen years, received a telegram over the telephone. Always, the telegram is brought by a slow boy on a bicycle.

As this recent report shows, the Telegraph Department is a lazy, incompetent monopoly, which prefers to do less business instead of more. It does not want to be bothered. It is an object lesson in stagnation and bankruptcy.

This report goes to the root of the matter. It directly condemns, not only the Post Office, but all Government departments that have the impertinence to assume the management of business enterprises. It aims its attack directly upon the very nature of what we euphemistically call "Civil Service."

Reorganization Needs

THERE must be a complete reorganization of the Telegraph Department, says this report. A mere shake-up will not do. And this cannot be done under civil service conditions. "Efficiency is impossible in the Civil Service," says this report. "Under civil service conditions, there is no incentive to either efficiency or speed."

The three investigators go even further than this. They advise private ownership. They say, "If the Post Office and its Inland Telegraph System were run by business men, on business lines, instead of by a Government department on bureaucratic lines, there would be none of

the inertia and slackness that there is now."

As you can see, this report is destined to become historic. It marks a definite turning point in Great Britain. It points to the eventual destruction of bureaucratic control. It is a Magna Charta of private enterprise.

It has been approved by the daily press and by the "Union of Post Office Workers." The secretary of the latter says, "We as employees of the Post Office are not satisfied with the present state of things. We have constantly pressed upon the postal authorities the need for greater efficiency, but nothing has been done. The authorities are in favor of red tape and delay."

The cost of telegrams in Great Britain is much higher than in America, but the true cost is concealed from the public.



At the Telegraph Office—"My dear sir, I must refer you to the Post Office"

The average telegram costs the sender 24 cents and costs the taxpayer 15 cents more. Every 24-cent telegram is carried at a loss of 8 cents, which is paid by the taxpayers. In other words, the 24-cent telegram is a delusion and a humbug. The sender pays part of the cost and the taxpayer pays the balance.

Telegraphy in Great Britain is a dying business. There were 89,000,000 telegrams in 1913. There were 70,000,000 in 1923. There were 47,000,000 last year.

The telegraph business is, in fact, now in process of liquidation. It is being superseded by the telephone. It is dying ungracefully. Half a century of bureaucracy has killed it.

The loss of the Telegraph Department last year was \$7,500,000. There has been a loss every year since 1876. It has been bankrupt for 52 years. It has lost more than \$60,000,000. There is an object lesson in public ownership.

One of the first men to see this report was Viscount Wolmer, the assistant post-master general. He saw it and was converted from the error of his civil service ways. Not only was he converted. He at once became an evangelist for the gospel of private ownership.

He made a speech that shook the British Civil Service from stem to stern. "I am perfectly certain that if the Post Of-

fice were managed by private enterprise there would be a more economical and efficient service."

"I can see the working of the Post Office from the inside, and I see it as pure socialism. A Government department by its very nature is not the best kind of an organization to deal with business matters. The best men do not come to the top. I believe that private enterprise would run it better."

Criticism Makes Furore

THIS speech stunned the other members of the Government. It was sensational. No similar confession has ever been made before by any member of the British Government.

Viscount Wolmer was not forced to resign, but on medical advice he went for a trip abroad. He was temporarily sent out of the way. His speeches were too damaging to the bureaucracy that rules Great Britain.

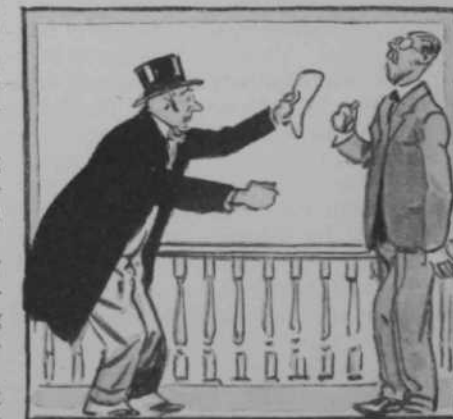
In Parliament, a member rose and asked, "Is it the intention of the prime minister to transfer the Post Office service from the State to private enterprise?"

Mr. Baldwin—the prime minister—replied, "No, sir. It strikes me that when Viscount Wolmer has attained years of discretion he will speak with the caution which characterizes the utterances of the other members of the Government."

As to his years, Viscount Wolmer is 41. He has been assistant post-master general for four years. He has been 17 years in Parliament. He is the eldest son of the Earl of Selborne.

He is not altogether too young and inexperienced to express a valuable opinion upon the Post Office.

Another member of Parliament, speaking on this telegraph report, wittily asked,



At the Post Office—"Under the rules I must refer you to the Treasury in this matter"

"Is the right honourable gentleman aware that as long as a Government department controls the telegraph service, it will never reach years of discretion?"

So, the British Post Office is now under fire. Bureaucracy is being discovered for what it is. As yet, no one has spoken a word in its favor, except the post-master general, who has been dragged into the open and forced to defend it.

It is the oldest and largest of British bureaucracies. It was founded in 1516. It has had four centuries to learn how to protect itself.

It is the most aggressive of all British bureaucracies. It has swallowed up all possible competitors, except the Marconi Company, and this it insists upon regulating.

It has developed a definite plan of campaign for destroying competition. It first licenses, then regulates, then strangles, then swallows. Once, when I was in an inner office of the postal headquarters, I was shown a four-foot shelf of large books. "This," said an official, "is the Post Office Policy."

The British Post Office has now grown to be the largest bureaucracy in Europe. It has 230,000 employees. Its revenue is more than \$300,000,000 a year. Its profits, last year, were \$30,000,000. In the last fourteen years, its profits have been \$260,000,000.

Swallows All Competition

IT SWALLOWED the telegraph in 1870, the express companies in 1883, the telephone in 1911 and the radio in 1927. A family cannot even keep a dog in Britain without paying a tax of \$1.75 a year to the Post Office.

It has ruined telephony in Great Britain. There are only 1,700,000 telephones in Britain, not nearly as many as there are in New York City alone.

The calls each day in New York are five times greater than in Britain; and there are more calls in the United States in a week than there are in Britain in a year. As a national service, British telephony is only 4 per cent of what it is in America.

The radio service was taken over by the Post Office last year. A private company had created the service, at a cost of \$350,000. There is now a postal monopoly, managed by seven commissioners, not one of whom has ever had any previous experience in matters of entertainment.

The Post Office is an irresponsible bureaucracy. It cannot be sued. It can lose valuable letters and parcels and nothing can be done about it.

It is ruled by a set of bureaucratic man-

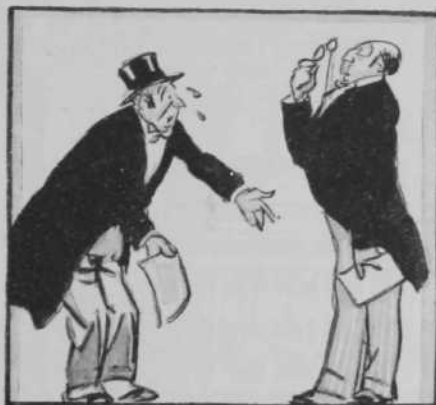
darins, none of whom are known to the public. It is above politics. It has had as many as eight post-masters general in nine years. Once, it had three in seven months. Post-masters general have very little to do with it.

It governs itself, for its own purposes, in its own non-commercial way. Elections have no effect upon it.

It is unsupervised. Actually, it has not issued an annual report for twelve years.

Its system of organization is incomprehensible to a business man. The telegraph, for instance, is a branch of the Post Office, which is a branch of the Treasury, which is a branch of the Government, which is controlled by the House of Commons, which is controlled by popular vote. How, then, is it possible for public opinion to reach the Telegraph Department?

The Post Office is in reality not an organization at all, in a commercial sense. It is a rambling, shambling conglomeration of routine. It is crushed into inefficiency by its own weight.



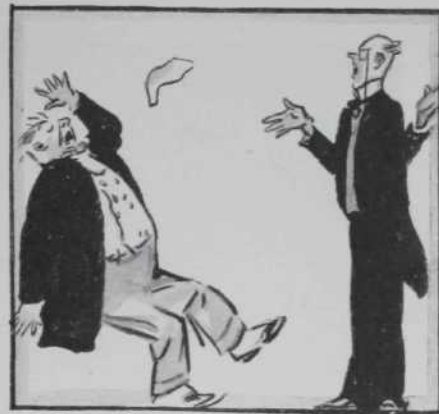
At the Premier's Office—"You will have to refer this to the House of Commons"

Seven years ago, some one suggested that H. Gordon Selfridge should be made the manager of the Post Office, at a salary of \$50,000 a year. Mr. Selfridge is a Michigan man who has become the greatest of all merchants in Britain. He controls thirty large stores. He makes more than \$50,000 a year.

This suggestion was taken up by the daily press, and the Post Office was induced to appoint an Advisory Board of nineteen business men, including Mr. Selfridge.

These nineteen men set out to put the Post Office in order. They did their best for a year. Then they gave it up as a hopeless job. They made no report. Since they had no power, and since the bureaucratic chiefs were unwilling or unable to carry out any reforms, nothing could be done. Their opinion now is that nothing can bring the Post Office up to date except either a dictator or private enterprise.

The Post Office satisfies nobody. Its heads are badly paid. Sir G. Evelyn Murray, who is at the head of it, receives only \$15,000 a year, less than the salary



At the House of Commons—"We can't do anything about it until next year's election"

of a good sales manager. The head of the Telegraph and Telephone Department receives only \$7,500 a year. As for the rank and file of postal employees, thousands of them receive \$10 to \$12 a week.

The one great virtue of the British Civil Service is its honesty. There is no bribery nor corruption. There are no spoils. It is free from all political influences. But the problem now is to make it efficient as well as honest.

For two generations the British Post Office has been the ideal of the socialists. Why? Because it had never been investigated. Because the public had no idea of its incompetence and autocracy.

But now that the inefficiency of the Post Office stands revealed in all its nakedness, the advocates of socialism will have to find a new argument.

The fact is that socialism is now a spent force in Great Britain. It is on the defensive, fighting for its life. The new name for socialism in England is inertia. All the glamor has gone.

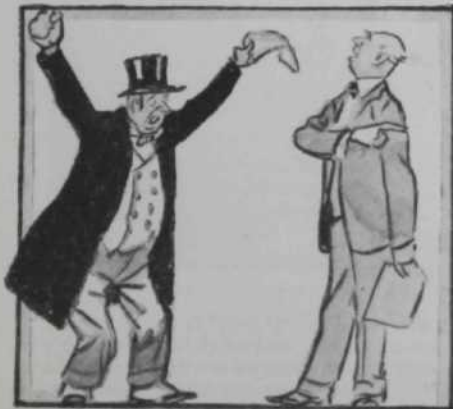
Even the heads of the Civil Service are disturbed at the new hostility to bureaucracy. A dozen of them have recently left the Civil Service and entered business life. In fact, a committee of postal officials are now in the United States, studying the methods of the Western Union Telegraph Company. They have gone to the States business to learn efficiency from private enterprise.

No Efficiency in Government

SIR ALFRED MOND has come out flat against bureaucracy and he has an immense following in Great Britain. He says, "I have been 26 years in business and 6 years in the Government; and I have come to the conclusion that it is impossible to carry on any sort of industry through a Government department."

The *Sunday Pictorial*, with a circulation of more than 1,000,000, says, "If the Post Office were handled by private enterprise and freed from the paralyzing effect of the bureaucratic mind, it would make enhanced profits and give a much better service."

The new alignment of forces will be business against bureaucracy. Instead of government control of business, the aim is for business control of government.



At the Treasury—"I must ask you to present this matter to the Premier's Secretary"



VII. The Spirit of Pittsburgh

An Etching by Anton Schutz

"THE WORKSHOP of the World" is the title won by Pittsburgh for its enormous output. The etcher's view looks toward the junction of the Monongahela and the Allegheny rivers where the Ohio is formed. On the point of land in the distance was Fort Duquesne, western outpost of American civilization a century and a half ago



William Butterworth,
new President of the
National Chamber of
Commerce

UNDERWOOD & UNDERWOOD

Butterworth— Crusader for Cooperation

By E. C. HILL

IT IS a practical certainty that the sixty-two men who touched elbows at the guest table of the Chamber of Commerce of the United States at the dinner of its sixteenth annual meeting in Washington last May made up the most interesting and significant collection of twentieth century Americans ever brought together.

They were magnetically interesting because of individual achievement, through brains, energy and integrity. They were compellingly significant as a group because they represented—and to a large extent had established—a new ideal in business, that prosperity for one depends upon prosperity for all.

They fired imagination, these clean-cut, sturdy, alert, well-groomed, middle-aged Americans—not because of their dollars, their towering fortunes or the tremendous financial power of which they were the captains—but because they have been

“WE MUST so conduct ourselves in our business dealings that Government won't have to tell us what to do,” says the new president of the National Chamber. “If we keep our own house clean, nobody will have to clean it for us. That's what good teamwork means”

pioneers, all of them; pioneers of the new era of national cooperation; pathfinders and trail-blazers; leading business up to abolish the last frontier of selfishness and sectionalism, of waste and unfair competition and narrow special interest. They have been, these men, the Daniel Boones, the George Rogers Clarks, the Sam Houstons and the Fremonts of their opportunities and their times.

Romantic Careers a Plenty

THERE were men there whose life stories are as readable as any novel—Owen D. Young, who helped Dawes put Europe upon its feet; John Hays Hammond, who rode with Dr. Jameson; Cyrus

H. K. Curtis, the Maine Yankee who became America's greatest publisher; John D. Rockefeller, Jr., builder of lighthouses of medicine and science the world over; Gen. James G. Harbord, Pershing's right hand man in the World War; Frank B. Noyes, head of the greatest of news-gathering organizations; Gen. John F. O'Ryan, who broke the Hindenburg line; Myron C. Taylor, financial head of United States Steel; Walter S. Gifford, who has made it possible for us to phone to London or to Paris as easily as we talk across a city; Silas H. Strawn, president of the American Bar Association; Judge Edwin B. Parker, militant champion of undeviating business honesty, and so many more, almost equally celebrated.

Among them was Butterworth of Mo-line, between Noyes of the Associated Press and Curtis of the Saturday Evening Post—William Butterworth, the good fighting man, veteran of fourteen years'

battling for patriotic teamwork; a very zealot in the cause. Before this dinner I had talked with the man who was to be chosen next day as president of the National Chamber, and I had gained, I think, some little measure of the man's personality and his quiet, solid ability. It was no surprise, therefore, to observe the regard and affection in which he was held by the men to the right and to the left of him, and by the two thousand that faced him from the banquet floor. This article is an attempt to picture Mr. Butterworth as I saw him, and to reflect the spirit of him as I glimpsed it from time to time as we sat in the Chamber or walked along the tree-lined streets between meetings and conferences.

I saw him first at the breakfast of the staff of this magazine, on the opening day of the sixteenth annual meeting. The managing editor of NATION'S BUSINESS was pointing out this man and that in the general process of orienting the stranger within the gates, and across the breakfast room he indicated the square and solid figure of the man from Moline.

"There's a man," he said, "that I would like to have you meet and talk to—William Butterworth, vice president of our North Central Division, ten Mississippi Valley states. Great man for cooperation and teamwork in business. You'll find him interesting, I think."

Notables of Chamber

THE breakfast—lively talks spacing our grapefruit, eggs and coffee—ended with the guests dispersing into groups, the natural magnetism of congeniality, and presently I found myself in one of these groups of which Mr. Butterworth was the center. Around him were Lewis E. Pierson, the New York banker, soon to retire from the presidency of the Chamber, giving way, it was to develop to this same Butterworth; Richard F. Grant, of the M. A. Hanna Company of Cleveland, a figure to compel any eye; John W. O'Leary of the Chicago Trust Company, tall and slim and restless with energy.

At the axis of this group, I saw Mr. Butterworth, a gentleman who was carrying some sixty years of life with a kind of resolute and buoyant vitality; obviously a gentleman who had lived temperately and sanely, and a good deal, it would seem, in the out-of-doors. His build is rather stocky; broad, thick shoulders, with torso and legs to match, and his height is about five feet, ten inches.

He weighs, perhaps, 185 pounds. He has plenty of hair left upon a head which demands a seven and a half hat. His complexion is the bronze of one who has spent a lot of time in the sun—in his case, getting around among the farmers and business men of the ten states he represented for the Chamber.

His eyes are a deep blue, with an expression both penetrating and kindly—the eyes of a close observer and a philosopher; the eyes of a patient and tolerant man who knows that causes are not won in a day. A good chunk of a nose and a close-clipped graying moustache further

identify this full, swarthy and amiable face; the face of a man who inspires immediate confidence and liking—a desire to know him better. This, at any rate, was the impression he made upon me even before I had talked with him and sought to analyze the qualities of his mind.

The group around him melted away as one after another of his friends and fellow-workers hastened away upon their various affairs, and it came my time to shake hands with him.

Views on Cooperation

"I KNOW that you are pressed for time, Mr. Butterworth, but I would like to talk to you a little on the part of NATION'S BUSINESS—to get your ideas, in your own words, of why business men everywhere in America, little towns and big cities, should join their chambers of commerce

and the National Chamber. They tell me that you have interested more business men toward a national viewpoint than almost any other officer of the Chamber. How do you get at them? What do you say to them?"

The man from Moline gave me a direct gaze from those searching blue eyes, then replied in the slow but easily flowing speech which is characteristic of him.

"If you think I can tell you anything worth while," he said, "why, I'll say it right now. There's no time better than the present. That's the way to get things done, isn't it?"

So we sat down, a little out of the surge of things, while Mr. Butterworth talked—easily, unhurriedly. Because I asked him about it, he told me of his origin and early life. He was born in Maineville, a small town of less than 300 people in Warren

Business Men You Have Read About



HAT PRESIDENT

George V. MacKinnon, after 28 years with the John B. Stetson Company, of Philadelphia, has been elected its president. He began as an assistant to the purchasing agent and worked his way up to the top.



REJUVENATOR

Hiram S. Brown, industrial consultant, was asked to report on the United States Leather Corp. His report led to his appointment as president where he followed his own ideas and rejuvenated the organization.



MOTOR MERGER

The Chrysler Motor Corporation has absorbed the properties of Dodge Brothers, Inc., forming the third largest company in the automobile industry. Walter P. Chrysler is chairman of the board of the organization.



CABLE EXPANSION

On the fiftieth anniversary of the All-American Cables, Inc., John L. Merrill, president, of New York, announced that the company will maintain its vigorous expansion policy. He started 44 years ago as an office boy.



HEADS COLGATES

Wallace E. McCaw's election as vice president, director and manager of Colgate & Company, Jersey City, broke a precedent. For 122 years only Colgates have managed their perfume, dentifrice and soap company.



ANOTHER CHAIN

Alexander N. McFadyen has become general manager of Schulte United Retail Stores after serving nine years with Kresge and four years with the Metropolitan Chain Stores. Stores will be opened in 40 cities.

County, Ohio, where his father, Benjamin Butterworth, a well-known man in his day—the day of Benjamin Harrison and Grover Cleveland and James G. Blaine and Daniel Voorhees—represented in Congress the First District of Ohio, the district now represented by Speaker Longworth. William Butterworth went to school out there as a small boy, by the yellow Ohio. One of his younger brothers was Frank Butterworth, who later became a great football hero at Yale. Good fighting stock, the Butterworths.

Early Life in Washington

THE family moved to Washington, D. C., in 1882, and William Butterworth went to the Washington High School, from which he was graduated in 1885. His home was in Le Droit Park, at 407 T Street. He took his degree at Lehigh

University and then went to Paris in a Government job during the Exposition of 1889, and afterward served as secretary to W. E. Simonds, Commissioner of Patents. That was back in 1891 and 1892.

Mr. Butterworth was admitted to the Illinois bar in 1892 and the same year moved to Moline in that state, where he went into the great farming implement factory of Deere & Company as assistant to the buyer. Five years later he was its treasurer, and in 1907 succeeded Charles H. Deere as President, an office he has held ever since.

"Before the Chamber of Commerce of the United States was organized in 1912, I saw the possibilities of cooperation among business men," said Mr. Butterworth. "It seemed to me, as far back as twenty years ago, that the great thing for business men was to get together to talk

things over. There was so much ignorant, unfair competition. Manufacturers and merchants were simply cutting their own throats by trying to knife each other. And the whole thing was doing immense harm to the country as a whole.

"Take our business, the manufacture of farm equipment. The traveling man would come in and report to his company, 'Your competitors are doing this and that.'

"In those days we didn't know any better than to try to go our competitors one better. The competition was very severe, and a lot of bad practices and trickiness had got into the business. Things sort of went on until the manufacturers in the implement and vehicle business were persuaded to get together to stop bushwhacking and knifing in the back, and to try to evolve a better code and a better understanding of the country we all lived in. It was a real good start and the beginning of a new era. The National Implement and Vehicle Association, now known as the National Association of Farm Equipment Manufacturers of the United States was formed.

"Our getting together stopped a lot of bad business. Things became open and above board and guerrilla warfare came to an end. Common problems were worked out, not only to the gain of the individual but to the gain of the whole community, and that is the big thing for all of us to consider. That's the thing the National Chamber has in mind first, last and all the time. We are interested in patriotism before profits.

New Attitude Toward Business

"I AM an enthusiast about the accomplishments of the National Chamber and the principles those accomplishments have been built upon, because I'm one of the men who have seen every step of the change.

"Look at the changed view of the public toward business. You know how business used to be regarded in Washington, in Congress and generally. When business men came down here to get something done, we just about escaped arrest as suspected pirates. There were members of Congress who were actually afraid to be seen talking to a business man. They assumed that he was here for some selfish purpose, to put something over. Sometimes they were right, in those days. No matter how obviously good the thing was we wanted done they called us lobbyists, and a lobbyist was ranked just about on a par with a housebreaker.

"But fifteen years have brought about a wonderful change in the attitude of Congress and of the public.

"The Chamber has kept patiently and resolutely at work on this problem and that, overcoming ignorance and prejudice and bad precedent, and contributing to so many big improvements in national legislation that they just had to see that what business was after was the good of the whole.

"People not in business had wondered for a long time what was going on in the

In the Passing News of the Month



BANK POLICY

J. J. Pulleyn is president of the Emigrant Industrial Savings Bank, Manhattan, which now pays full interest for every day savings are on deposit. The bank found small accounts profitable in 77 years of business



SILK COMMITTEE

Two months in Japan to work with the Japanese Raw Silk Association to develop an international system of raw silk classification is the schedule of the Silk Association group headed by W. C. Cheney, of Cheney Brothers



INDUSTRIAL HEAD

Loyall A. Osborne, president of Westinghouse Electric International Company was made chairman of the National Industrial Conference Board for the next year. He is prominent in technical and educational fields



MILLION APIECE

B. H. Kroger, of Cincinnati, retired from active control of the Kroger Grocery & Bakery Company, a large chain, and gave each of his six children a million dollars to give them experience in handling money



PROMOTES COTTON

A prize of \$500 will be given by the Cotton Manufacturers Association of Georgia for the most practical new uses for cotton suggested during the next year. Cason J. Callaway of La Grange, heads the New Uses Committee



SUPER SALES FORCE

W. B. Munroe is president of the Supplee-Biddle Hardware Company, Philadelphia, which bought a carload of padlocks. This is a world's record in the padlock industry and is a result of a month's sales campaign

confusing welter of business changes—tangles and squabbles here, there and everywhere. Finally they began to see that there was a force at work which was really trying to bring order out of the confusion, trying to get American teamwork. They began to see for themselves that there was a set of men in America who were really working on the job, giving their own time and money to it. These men made up the Chamber of Commerce of the United States. Congress saw after awhile that when we came down here it was not to try to grab a few extra dollars but to try to do something to help our country, the whole country.

"It's made a great difference in the relations between our Government and the Chamber. We cooperate and work sympathetically nowadays. Of course business has its differences with the Government—sharp ones—but everybody recognizes now that these are the sincere differences between honest men. Nowadays the departments of Government call on

us for information, and we call on the departments. We exchange facts, figures and ideas. Good comes out of it. The whole stature of the business man has grown. When I was a boy, the business man was not on a level with the professional man at all. But the business man has grown. Communities appreciate him. Legislation consults him. The impression has spread that he is honest and patriotic.

Bigger and Better Ethics

"ALL of this has been brought about, in large part, by the work and example of the National Chamber, working in behalf of the million business men that the Chamber represents throughout this big country. These men have contributed to the introduction into the law of the land of some mighty big and fine improvements, but acting through the Chamber the biggest they have done is to raise the standard of business ethics and to demand that every business man hew to the line of fair dealing. I don't know of any finer ex-

pression of that standard than is contained in what I might call the Bible of the Chamber—the "Principles of Business Conduct"—and not a word of it is meant to be taken idly.

"We have got to go ahead and so conduct ourselves in our business dealings that Government won't have to tell us what to do. If we keep our own house clean, nobody will have to clean it for us. That's what good teamwork means.

"How do men become interested in joining the Chamber? Well, it's simple enough. I have been through the mill and can talk pretty convincingly for that reason, I suppose. The actions of the Chamber are taken by its membership, not by its board of directors or staff. They are fair and public. Business men recognize that they have a chance to help the whole business structure of the country, and to do a man's part to make it a better country to live in. The effect is to show that a man who holds aloof is

(Continued on page 80)

Organized Business in Action

A brief survey of what the National Chamber has been doing

By MERLE THORPE

AN old-time Kansas friend, on his way from Hutchinson to New York, dropped in on me the other day. After the usual gossip of then and now, he squared away in his chair and said:

"What's this all about, anyway? I mean the Chamber of Commerce of the United States. I'm reading more and more about it in the home papers. Our local chamber of commerce—and I belong—is a member. What are you doing? What's the big idea, anyway?"

"Well," I answered, "first of all, the Chamber has just closed one of its biggest years. The outgoing administration, Mr. Lewis E. Pierson, President, and Judge Edwin B. Parker did a great job in actual accomplishment and in advancing the Chamber's cause."

"Yes, I know," said my friend, "but what is it all about? What's the big idea?"

"A proper question," I replied, "whether you're a member or not. But this fine building you're in is not the real National Chamber. It's out there in Hutchinson, in Duluth, in Shreveport, Boston and Jacksonville."

"I don't get you," he responded. "How come?"

"There are many national organizations," I answered, "representing this and that group, and many doing it well, but the National Chamber is different from all others in this: its staff and officers have no power or authority except that given them by Hutchinson, Duluth and so on

—some 1,600 chambers and trade associations.

"Nothing goes out from this building until you and your 800,000 fellow business men have ordered it. We derive our strength—and our weakness—from you, not only geographically as I've indicated, but industrially as well, you representing tanner and canner and baker and steel-maker, every business from oil and coal and forests, by way of rail and steamer and truck, to manufacturer, wholesaler, retailer, not overlooking insurance and finance.

"The real National Chamber is not in Washington, it is at the grass-roots and cross-roads of the nation."

"You make it clear," my visitor replied. "You haven't forgotten the Kansas language. But tell me what the Chamber does. What, for example, have you done the past year?"

"If you will keep in mind," I cautioned him, "that the program of the past year was not the staff's program, not the program of the president of the Chamber or the directors, I'll try to tell you briefly.

Program of Business

"A YEAR ago, you and your business associates instructed the officials of the National Chamber in the interests of prosperity—and that means the prosperity of everybody, labor, farmer and professional man—to get from American business its best thought and to present the findings to the public, on such ques-

tions of economic importance as these:

"A scientific tax revision, moving from a war program to one of peace time.

"What is necessary to prevent another Mississippi flood with its attendant economic upheavals?

"Shall the government go into another expensive program of ship building and stay in the overseas shipping business or shall we encourage private enterprise to take over the building, owning and operating of ships and shipping lines?

"What about postal rates?

"Isn't it time to do something about the alien property the government sequestered during the war? How and what?

"What's to be done to find out the real truth about forestry?

"Shall we go on toward the completion of our national highway program?

"Shall the government go actively into the business of making and selling fertilizers? And power?

"What about consolidating our railways in the interests of economy and service? And our parcel post relations with our good neighbor, Cuba? And uniform ocean bills of lading?

"And over and above these specific things, shall the government not keep out of all those activities which private initiative can properly and fully and successfully perform. And shouldn't the government treat with its fiscal affairs as business does—on a budgetary basis?

"These were our marching orders. They

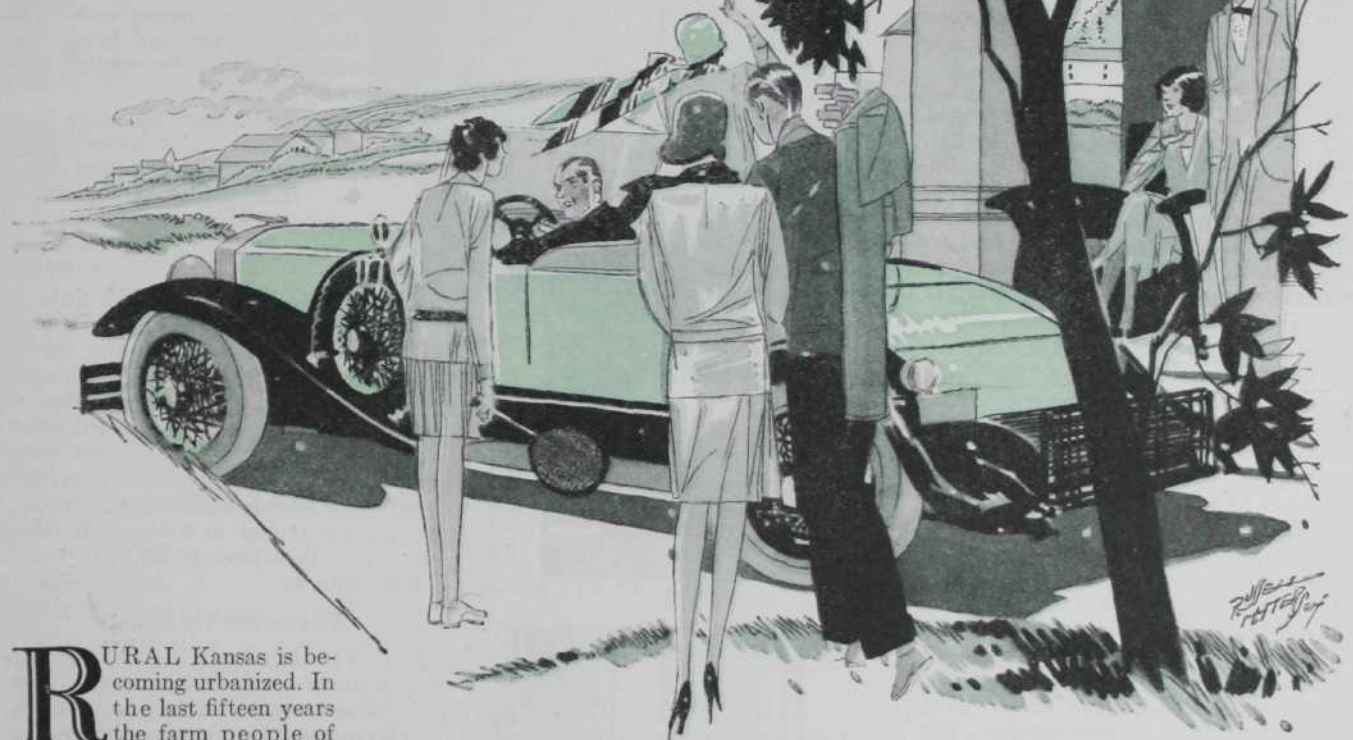
(Continued on page 76)

Quality Reaches the Farm

By WALTER BURR

*Professor of Sociology, Kansas State
Agricultural College*

Illustrations by Russell Patterson



RURAL Kansas is becoming urbanized. In the last fifteen years the farm people of the state have been capturing for themselves those advantages formerly procured and retained only by city folk. The quality market has reached the farm.

City dwellers who ridiculed the people from the short grass country because they showed evidences of the lack of certain kinds of equipment and behavior that made in a general way for urbanity did not understand the economics or the psychology of the situation. They were guilty of short-sightedness, while the farm people were possessed of long-sightedness.

Social intercourse and the material comforts and conveniences are desirable to all people. The former fell naturally to the lot of the city people, because they were crowded close together. They secured the latter partly for the same reason, since group living demanded them and at the same time made them more possible of attainment. Then, too, since money came more regularly into the hands of the city people, there was the

The farmer is no longer isolated. We have an average of one and one-half cars to every farm family. Some farmers have two or three cars.

The pioneer time of sod houses and prairie-dog villages has passed

tendency for it to be expended more regularly for the things desired to give immediate satisfaction. All of this made for those characteristics that developed a type of social culture typical of city people.

The pioneer farmer was under the necessity of developing an estate as the basis of future earnings. Under present conditions that estate averages a valuation of perhaps \$25,000. Of all those who leave estates as legacies in America, only the upper fifth reach so high a mark. Therefore it was expecting the farmer to perform a herculean task to take his place among that upper fifth.

To buy and pay for a farm, including his dwelling house and home equipment, plus his plant for business activities, required that he conserve his income to put back into his capital fund. He therefore

was under the necessity of foregoing the means of social relationships and the material luxuries gained by city people.

The pioneer time has passed. It may take the East a long time to learn that fact with regard to a state like Kansas. Perhaps the "wild-west" fiction and movies of the time cause the conviction to linger that Wild Bill Hickocks and Sockless Jerries roam the plains states; and that Indians and cow boys, sod houses and prairie-dog villages, are still western characteristics.

Living close together is not the only way of conquering isolation. In 1913, over on the Vermillion River, I rode horseback into a farmer's yard. The early Spring had been exceedingly wet, and the roads were almost impassably muddy. The man who accosted me was of the type who boasted that he had

lived there since the early day, and had never been outside his county.

"Quite a wet spell," I volunteered.

"Yes," he answered; "but we're going to have the worst drought this state has ever seen."

"How do you figure that out?" I asked.

He replied, "National Democratic administration. Never knew it to fail. It always fetches a drought."

Sure enough, 1913 proved to be a serious dry year in that area. In the fall I called on him again, and he solemnly referred to the fact that his prophecy had come true. The next time I saw him was in 1916 in a distant city. He hailed me proudly, and explained that he was taking the family in the car on a touring trip to the Pacific coast and back. The year before they had toured to the Atlantic. He was not the same man, and the members of his family were entirely different, too.

Farmers Mounted—on Autos

KANSAS farm folk are on wheels—and it has all happened in the last few years. On a low estimate, we have an average of one-and-a-half cars to every farm family. This means that some farmers have two or three cars. When you put 800,000 people into more than 200,000 cars, and start out over the farm area and into adjoining states, you can scarcely say after that, that they are "isolated." And this has happened in Kansas.

This is being written just at the close of our annual farm and home week. The roads were slippery at the beginning of the week, and the attendance was light—but the latter half of the week gave typical spring weather, and suddenly nearly a thousand farm people appeared. They came from every section of the state, some from a distance of two hundred miles or more, in their own automobiles.

The same experience could be duplicated in any mid-western state. Each farmer has become his own engineer. His vehicle carries its own power, and he takes his family about over the state at his own will. Incidentally, he forms a new purchasing public for automobiles, parts, gas, oil—and all the other fixin's that go with motoring. Better than all, he and his family are cosmopolitan—more so than the average city family.

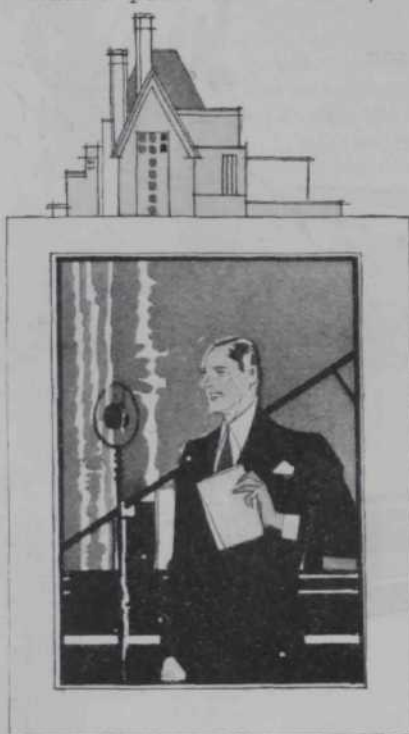
"There's a new community house in a town fifty miles north of us," said a farmer from Ford County last week, "and my family and I often drive up there to attend some of their interesting affairs. We frequently meet and get acquainted with folks from fifty miles in the other direction." This may give rise to the questions: "What has become of the isolated farmer?"—and "How big is the modern rural community?"

Then there is the motor bus. It has taken the place of the prairie schooner and the stage coach. It is an introduction of the last ten years in Kansas; yet see how it has already revolutionized the life of the state and bound rural and urban people together into one great community! Although so new a venture,

it has developed 44 separate routes. The buses make more than 350 separate cities and towns, and traverse thousands of miles of country roads.

If four or five thousand miles of electric lines or railways had been built in Kansas in the last ten years, much would have been written about the unprecedented phenomenon. But these bus lines have developed so naturally and to meet such a rapidly but quietly growing demand that even the people living in the state scarcely grasp the social and economic significance of this new means of transportation.

When a public service vehicle, with



Eight years ago there were no radio sets in Kansas farm homes. Now it is estimated that there are 62,000!

ample accommodations for travel, and offering low rates, makes regular daily trips over the country roads, stopping wherever passengers wish to enter or alight—then most of the advantages of the railroad town have come directly to the door of the farm family. One riding on any one of these lines, is impressed that country people are making use of this new type of passenger coach, to go shopping in a near-by city, to go on a visit to friends, and even for the young folk to go in to high school or college.

Now that the people in the smaller cities are discarding their street cars, the country people have acquired road cars. No longer does a member of the family have to wait until the carriage is going to town, as in the old days, or until father or older brother is ready to drive the "car" in, as in more recent times. The bus serves the purpose, and brings the transportation situation for country people "right up to now."

Isolation? Eight years ago there were no radio receiving sets in Kansas farm homes. Now it is estimated that there are 62,000! Incidentally this represents an investment of about six million dollars; and the number of sets is constantly increasing. There are still about 90,000 farm homes to be supplied with them.

New York City, Los Angeles, Detroit, Des Moines—or what will you have? These are all brought into the farm home according to choice. Nor is the cost of installation and upkeep considered other than an investment; for along with these long distance programs come the market reports and the weather prognostications, putting the farmer in touch with those forces that have most to do with profits in his business.

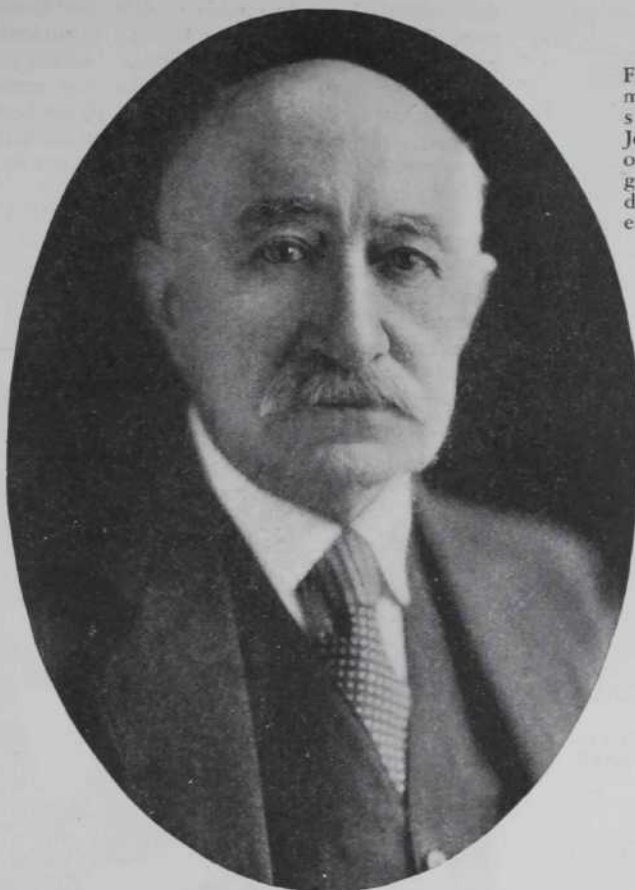
Education via Radio

SCIENTIFIC education that is right up to the minute also comes in daily over the radio from his agricultural college, which pioneered in conducting "the college of the air." Sam Pickard, now a member of the Federal Radio Commission, initiated this service when he was on the college staff, Kansas being the first state to conduct such an extension work, and setting the example for the Federal Department of Agriculture.

Recently a careful survey was made to ascertain to what extent farm people in the state listen to agricultural lectures over the radio. Two thousand three hundred eighty-four farm homes having radio sets were investigated. Of these 1662 reported that members of the family listened to these lectures as often as twice a week, and 662 reported that they listened regularly every day. It is safe to say that there cannot be found any other type of business people in the state who make the same sort of constant and practical use of the radio as is made by these farm people.

An outstanding characteristic of the city has been the predominance of manufacturing through the use of power machinery. Large units of capital are needed.

(Continued on page 106)



Friend of kings, statesmen, financiers, novelists, scientists, adventurers, John Hays Hammond has on his study walls autographed pictures of hundreds of the most interesting persons of a whole romantic generation

Outstanding Men I've Met

By JOHN HAYS HAMMOND

As told to William A. Du Puy

SIX or seven hundred autographed photographs look down from the walls of the study of John Hays Hammond in his Tudor mansion on the brink of Rock Creek Park in Washington. They are pictures of friends he has met in the course of a life that has been so eventful as to stand almost alone even in this era of vital human accomplishment.

They are friends with whom he has worked and played in a business career that has led him well about the world. Naturally they have been the active forces of this generation. To sit with him there in his study to point to one and another of these personages and to listen to his stories of personal contact with them is like going on a personally conducted tour through the events of a generation.

"The gentleman with the bushy mustache and the flashy clothes," John Hays Hammond might be saying, "is Barney Barnato. He is one of the most remarkable men in my picture gallery. He was a little Whitechapel Jew of genial and venturesome disposition who, at the age of 18, had gone to Kimberley, where the diamonds come from, with 60 boxes of cigars.

He had sold these cigars at a handsome profit and become a *kopje-waller*, a purchaser of diamonds in the rough at the mouth of the mine.

"Fifteen years later he and Cecil Rhodes, then owners respectively of the Kimberley and the De Beers diamond mines, the richest ever known, after many a battle of wits and after a protracted war, joined forces, forming the diamond trust—incidentally the first of the trusts—which was to bring stability to this romantic industry.

A Bucket of Diamonds

"I HAVE always wanted,' Rhodes told Barnato in the course of the negotiations, 'to see a bucket full of diamonds.' Thereupon the latter gentleman, his vanity flattered, poured his accumulated stones together in one receptacle and brought them out. The great Englishman sat and combed its depths thoughtfully with his fingers. Later Barnato found that he was out of the market for some weeks while his diamonds were being reassorted and that Rhodes was skilfully taking advantage of that fact.

"It was five years after this that I went to London to see Barnato, who offered me a three-year contract to introduce American gold mining methods in South Africa. Instead I signed for six months, at the end of which time I quit because Barnato had so many irons in the fire and, incidentally, was so occupied with the joys of life that he gave me no opportunity to develop the projects I recommended. Our contract was terminated and I went with Rhodes.

"But Barney Barnato and I remained friends. When I was in jail sentenced to death as an incident of the Jameson raid he vowed that he would not leave Johannesburg until I was free and there he stuck, exerting influence in my behalf in his own peculiar way. One day he met on the street Judge Gregorowski, 'the hanging Judge,' who had tried us, and roundly upbraided him.

"'You are no gentleman,' the Judge told him.

"'And you are no judge,' Barney retorted.

"One of the most spectacular ventures of Barnato's career occurred in the late nineties. He created the Barnato Bank as a holding company for his invest-



I saw much of Sergius Witte. He was the one man who might have saved Russia in the crisis

ments. It became involved and it looked as if the crash were coming. Barnato started for England. So upset was he that special precautions were taken that he be not given an opportunity to do himself harm.

"When his ship was a day out of Madeira, Barnato was walking the deck with his arm locked in that of Solly Joel, his nephew. He asked the time of day in a casual sort of way. To reach his watch



George Hearst, the owner of the world's largest gold mine, pooh-poohed college engineers

Joel relaxed his grip on his uncle's arm. Barnato plunged over the rail into the ocean and was drowned. When the ship reached Madeira dispatches were received showing that the market had changed and his ventures were safe. So sound were they in fact that Barnato Brothers today represent one of the biggest of English fortunes.

"My picture gallery," Mr. Hammond observed, "goes back as far as George Hearst, handsome, hulking California pioneer. When I got back

"I would like to tell you something in confidence, Mr. Hearst," I ventured. "I would not have it get to my father for the world. It would break his heart. This, however, is the fact. I did not learn a darn thing at Freiberg."

One-Man Laboratory

"THAT made it different. He gave me a job in his assay office. I must report on the samples that were sent in from various mines. I must do my work under lock and key all by myself so there would be no chance that the samples could be



Barney Barnato, genial and venturesome, started business with 60 boxes of cigars. Later he owned a bucketful of diamonds which he unwisely set before Cecil Rhodes

in 1879 from Freiberg, Germany, where I had spent three years in the Royal School of Mines, I asked him for a job. Freiberg then had the reputation of having the best school of mines in the world. Hearst and his associates were operating the Anaconda, the Homestake, the Ontario, and other great mines. They seemed my one best chance. Hearst was a friend of my father, and even knew me well enough to call me 'Jack.'

"He would not give me a job. I pressed him for his reasons. He said I was too full of Freiberg theories. I had too many long names for little rocks. He was not interested in college men with fancy educations, but practical miners who could get gold out of the ground.

'salted' and made to appear richer than they were. I had to build my own fires, crush my own rock, complete the assays all by myself. There were so many samples that it was necessary that I go to work at 7:30 in the morning and sometimes work until 10 at night.

"After six months of this I went back to Mr. Hearst, told him I was afraid I had been forgotten, asked him for a better job. He said he knew all about the work I had been doing and that he was ready to put me in charge of the Homestake mill at Deadwood, then the largest gold mill in the world.

"I was delighted but that same day I got an offer to go with the United States Geological Survey as a special expert to examine all the gold mines in California and compile statistics for the Census then

being taken. I begged off from Mr. Hearst who agreed that this latter experience would be of great value to me—at government expense.

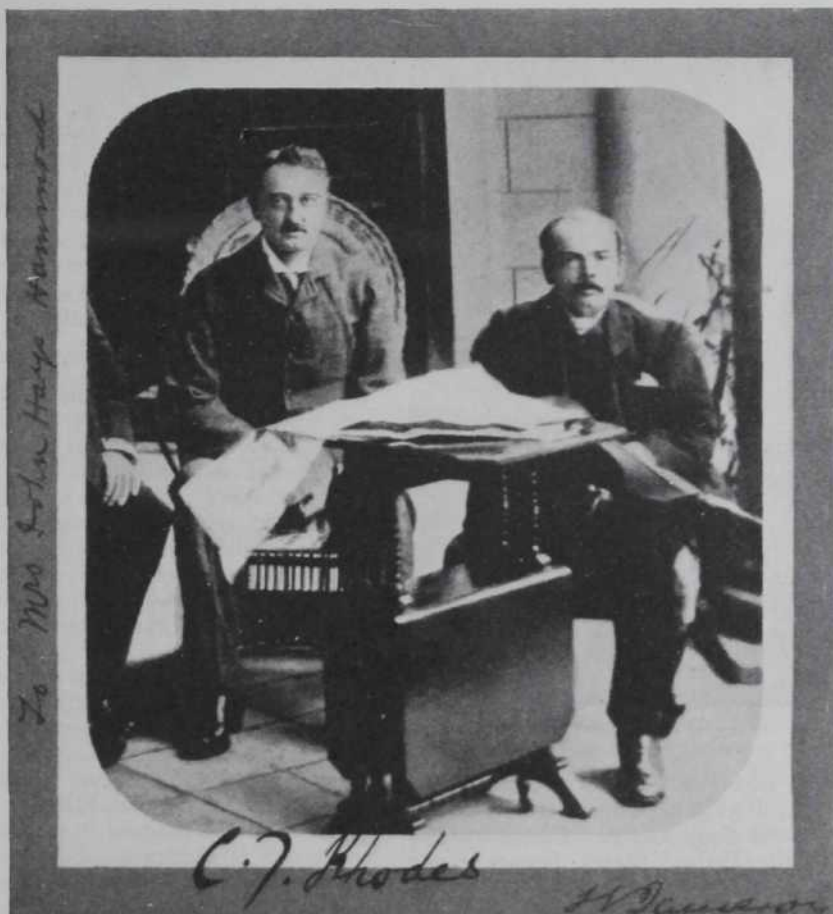
"Some years after that I met him at the Hoffman House in New York. He asked me how I was getting along. I said that I was doing quite well, that I had as yet made no mistakes.

"But have you made any successes?" he questioned. "If you accumulate a few successes you can freely make mistakes and be forgiven them."

"Lord Rothschild of England, with the

and have been amused to find that he was often visited by a bookie along about lunch time. He always laid a few wagers on the races. The matter of the odds caused much contention. He quarreled endlessly trying to hammer the bookie down. Sometimes the laying of the wagers would take an hour. It was to him what a game of tennis would have been to another Englishman. It was his sport.

"Whenever I went to luncheon, as I often did, in St. Swithins Lane



Cecil Rhodes, owner of the Kimberley diamond field, was a shrewd business rival of Barney Barnato, but after a battle of wits he and Barnato joined forces

fringe of white whiskers, was a very proper representative of a house of financiers that survived through the generations and had representatives in many countries in Europe. I met him as far back as 1892 when I first went to England, and he became important to us at the time we were developing deep-level mining in the Rand and required much financing.

Played Ponies for Hobby

I REMEMBER well coming up from South Africa on one occasion and finding that he was preparing to sell all his holdings. I was fearful of the effect his doing so might have on our position in the market and talked him out of it. He held the shares and made much money by doing so.

"I have been in his office many times

with Lord Rothschild and his associates I learned to know what to expect. The old financier had an inordinate curiosity about the size of American fortunes. When we had got comfortably along with the meal he always commanded the attention of the others present and began questioning me as to the relative sizes of American fortunes.

"He would begin with one of our lesser financiers, one who was worth a mere fifty or a hundred millions. How much was this man worth? he would ask. I would name a figure at which he would shrug appreciatively. Then he would ask the wealth of some more prominent figure. I might guess that the second man was worth \$200,000,000. He



Thomas A. Edison worked on the problem of extracting gold from ore but ran into difficulties

would accept the figure more expansively.

"Finally he would arrive at John D. Rockefeller. How much was he worth. I would consider carefully, give an estimate in a manner indicating great conservatism. I would say that Mr. Rockefeller might be worth \$500,000,000. He would press me. Was the oil man not worth more than that. I would admit that he might be worth \$750,000,000. Being still further pressed, I would further

(Continued on page 100)



Lord Rothschild bet on the races, and had an inordinate curiosity about the size of American fortunes

Congress—A Look Back and Ahead

By FRED DEW. SHELTON

WHEN the first session of the Seventieth Congress adjourned on May 29, 1928, a record of achievement had been rolled up that was equal if not greater than that of any session in several years. That result was really a surprise. As late as three months ago it appeared to experienced Washington observers that politics, turmoil and the quest for scandal and party issues would thwart enactment of the most important bills. As the end of the term approached, however, the long years of agitation, committee work, and study bore fruit. Resistance broke down and we have now on the statute books new provisions which will mean much for the economic future of America.

A New Revenue Act

We have the Revenue Act of 1928. It will please taxpayers as far as it goes. Those who have worked for equalization of corporation tax rates in relation to normal rates on individuals and partnerships will find solace in the 1½ per cent cut but will begin now working for further reductions to at least 10 per cent.

The repeal of the 3 per cent automobile sales tax marks virtually the end of war-time excise taxes on particular businesses. The estate tax is retained and promises to remain until states see fit to claim this field as their exclusive own.

Dire anxiety over threatened enactment of retroactive provisions, publicity for tax returns, and prohibition of affiliated returns was allayed as these proposals were thrown out in the course of final action on the bill.

Aid for the Merchant Marine

Passage of the Jones-White merchant marine bill brings the prospect of the government's withdrawal from the shipping business. At one time it looked as if the original Jones government operation bill might go through. The House, however, brought forth constructive proposals for aid to private operators and the bill



UNDERWOOD & UNDERWOOD

SENATOR REED SMOOT of Utah, who classes himself as banker and woolen manufacturer in the *Congressional Directory*, has served in the United States Senate since March 5, 1903.

He is the Chairman of the Senate Committee on Finance which deals with revenue bills in the Senate. Although the Senate may not introduce revenue bills, it may amend to the extent of rewriting all except the "Be it enacted" clause heading the bill

as enacted already has produced results which indicate a revival of shipping under private enterprise. The main features of the act are loans for ship construction at government rates of interest, more liberal compensation for carriage of ocean mail, naval reserve pay for ship officers, and authority for sale of government ships by a 5 out of 7 vote of the Shipping Board.

All in all the Jones-White act is the most important event in American merchant marine since the World War.

Revision of Postal Rates

For years recurring obstacles have blocked revision of the postal rate struc-

ture which has proved uneconomic in many respects from the viewpoint of the Post Office Department and mail users. At the close of this session, however, the Grist-Moses bill became law. It reached rates all down the line and fixed second-class rates at a point between the 1920 and 1921 rates.

Mississippi Flood Control

Just a year after the most disastrous flood in the history of the Mississippi River, Congress passed the Jones-Reid flood control bill. It acknowledges this problem as a national one, relieves the flood area states from further contributions to the main expense of flood control works, and promises to end the periodic menace of overflows of our greatest river.

New barge line services on the Mississippi have been authorized by passage of the bill to give \$10,000,000 more capital to the government owned and operated Inland Waterways Corporation. Ultimate transfer of the business to private operators is contemplated by the bill, but the belief prevails that many years will elapse before the government is ready to call its experiment completed.

Other Bills Passed

Enactment of the bill to return some \$250,000,000 of property of alien citizens sequestered by our government during the World War marks the settlement of one of the most important remaining problems which grew out of the war.

This matter had been "hanging fire" in Congress for years.

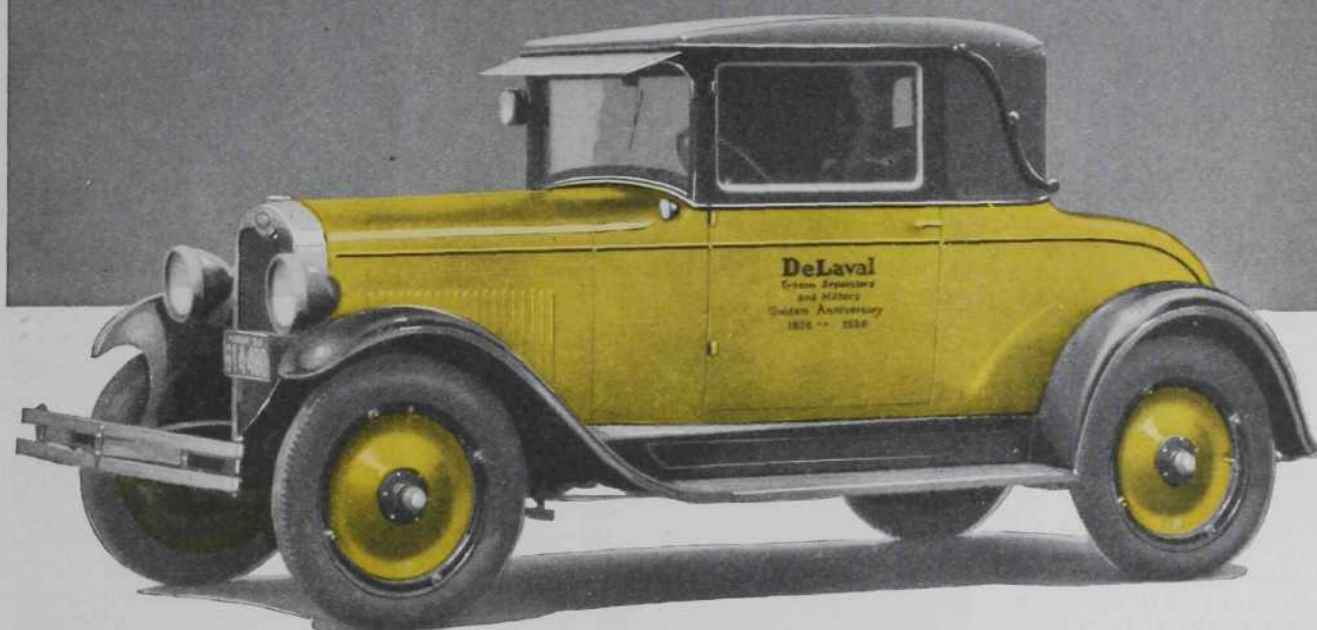
The federal highway building program has been extended through the fiscal years of 1930 and 1931.

There will be available to states \$82,500,000 for each of these years for road building purposes.

Various forest research activities of the federal government will be coordinated and given statutory authorization with some additional funds through the McSweeney-McNary bill which became law. Lumber and forestry interests have



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The Touring or Roadster	\$495
The Coach	\$585
The Coupe	\$595
The 4-Door Sedan	\$675
The Convertible Sport Cabriolet	\$695
The Imperial Landau	\$715
Utility Truck (Chassis Only)	\$495
Light Delivery (Chassis Only)	\$375

All prices f. o. b. Flint, Michigan

Check Chevrolet Delivered Prices

They include the lowest handling and financing charges available.

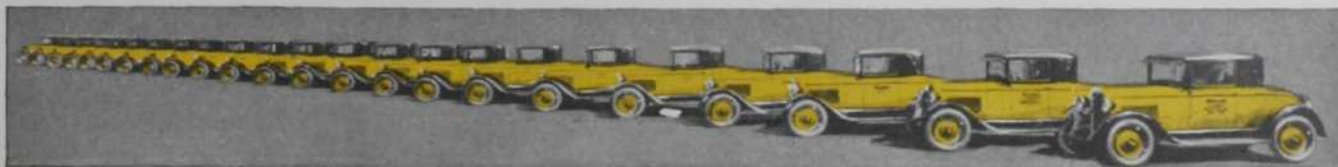
For many reasons Chevrolet is winning a constantly increasing preference among big fleet owners. First in importance is Chevrolet's outstanding economy of ownership and operation—resulting in the world's lowest ton-mile cost for every line of business. The amazing performance of the Chevrolet valve-in-head motor... the ability to stay on the job for month after month with the

minimum service requirements... and the smart, impressive appearance that typifies a progressive business organization—

—all these have been of the utmost significance in Chevrolet's consistent march to first place in the commercial car industry.

Whether you use one or a hundred cars or trucks in your business—see your Chevrolet dealer today.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Division of General Motors Corporation



When buying a CHEVROLET please mention Nation's Business to the dealer

worked toward this end for several years.

Also, Congress authorized a new 10-year program of reforestation in cooperation with the states under the provisions of the Clarke-McNary forestry act of 1924.

In the catalog of other accomplishments of Congress we should add the following:

Increased salaries for government workers throughout the entire classified civil service list.

Started investigation of chain store systems and their methods.

Workmen's compensation for the District of Columbia with provision for insurance through private companies.

Extension of the life of the Federal Radio Commission for one year with modified powers.

Bills That Failed

The record of bills that failed in many respects is nearly as significant as the record of completed legislation.

A Presidential veto once more squashed the McNary-Haugen farm relief bill with its now notorious equalization fee provision.

Defeat in the House stopped the Newton bill to permit associations to combine for the purchase of raw materials controlled by foreign monopolies. This result was due to political factors and the bill probably would pass on its merits.

A veto also put an end to the bill to coordinate the public health activities of the federal government. The President favored the main purpose of the measure but rejected it because of a provision giving military rank with increased pay to officers of the Public Health Service.

The Navy Department's ambitious program calling for over \$700,000,000 for new naval construction was whittled down drastically and was finally passed by the House.

It failed, however, to come to a vote in the Senate, and, therefore, remains on the calendar for the short session next winter. As the bill stands, it would authorize \$274,000,000 for the construction of 15 cruisers and one airplane carrier.

Reapportionment

Action on the Fenn bill for Congressional reapportionment based on the 1930 census was attempted in the House but the measure was defeated by a close vote.

Once more Congress attempted to move up the date of the Presidential inauguration and to eliminate the short session of Congress. The Senate passed the measure but it was voted down in the House.

Looking to the Future

Congress will meet again on the first Monday in December for the short session

running to March 4, 1929. Bills pending now will retain their legislative status. The elections will be over and a new Congress elected. It is not unlikely that the short session—sometimes called the "lame-duck" Congress—will dispose of several important measures which have been reported from committee and are now on the calendar of one or both branches of Congress.

Transportation

Railway consolidation legislation remains on the docket. Many interested parties are beginning to despair of action on this subject but there is still hope for the Parker bill which was reported from committee in the House in the session just closed. In the meantime railways may learn to proceed with necessary unifications through stock ownership processes.

There will be renewed agitation and possibly action on questions affecting railway rates and transportation generally. Political pressure on the Interstate Commerce Commission, as applied by the Senate in the rejection of Commissioner Esch, may develop to a point that will

and to give adequate service to the public. One possibility is greater leeway for the roads and shippers to reach extra-legal agreements on rates, thereby relieving the Interstate Commerce Commission of part of the great volume of rate questions which now is swamping that body and seriously impairing its ability to cope currently with vital major problems. Congress may try to do something in that direction.

Federal Reserve System

There has been a growing tendency for Congress to peck at the Federal Reserve System. Thus far no committee of Congress has had the assurance to move vigorously for new legislation affecting the system. Numerous starts, however, have been made and it is entirely possible that the future will bring more earnest endeavors to have Congress tell the Reserve Board and the Reserve banks how they shall function on monetary policies and what their relation and responsibilities to the public shall be.

The Goodwin bill to permit states to tax national bank shares may be brought forward.

Tariff

The next session of Congress will have tariff problems before it. A new tariff act is not possible in the short session but the agitation will start and the ground will be broken for legislation in the succeeding Congress. It is a foregone conclusion that agriculture will have much to say about new rates.

Color is added to the tariff situation by the recent report of a special Senate investigating committee which recommended that the flexible tariff clause of the Act of 1922 be repealed.

Another proposal related to tariff legislation is the Jones bill reported to the Senate which would permit creation of foreign trade zones in American port cities. The object would be to stimulate imports for re-export, thus aiding American foreign trade.

Since the tariff act was passed new heads have been named for both the Senate and House committees which have jurisdiction over tariff matters. The Ways and Means Committee of the House, where tariff legislation must originate, recently elected Representative Willis C. Hawley, of Oregon, as Chairman. Senator Reed Smoot, of Utah, is Chairman of the Senate Committee on Finance which deals with revenue measures in that body.

Distribution Census

The proposal for a census of distribution in connection with the 1930 decennial census was included in the census bill passed by the House and will be taken up seriously by the next Congress.



UNDERWOOD & UNDERWOOD

THE WAYS AND MEANS COMMITTEE of the House recently elected Representative Willis C. Hawley of Oregon as its Chairman. He has served during nine sessions of Congress and is now in his tenth.

This Committee makes the preliminary investigations for all tax bills. These bills must, by the Constitution, be introduced in the House before they are brought up in the Senate

force a new basis for railway regulation by the Commission.

When railway operating efficiency has reached its highest point and is no longer thus able to offset reduced rates and increased taxes and wages, there will come new questions of how to keep the railways running with fair returns to shareholders



The MILWAUKEE ROAD Yesterday = Today = Tomorrow

In 1848—just 80 years ago—in what was then Wisconsin Territory, the first rail of the present Chicago, Milwaukee, St. Paul and Pacific Railroad was laid. Today it is a system of 11,200 miles, stretching from the Great Lakes to the North Pacific Coast.

Yesterday's hardships have endowed the people of the West with courage and vision, and both are manifested in their institutions. The Milwaukee Road, while owned by stockholders residing in every State, is essentially an institution of the great West, and it takes pride in the fact that it has had a part with other pioneers in the development of the West and Northwest.

Today the Milwaukee Road furnishes transportation to the people of twelve great States. To do this well is its constant endeavor: by furnishing fast and dependable transportation to and from the markets of the world; by opening new gateways that the national parks may be more easily accessible; by actively interesting itself in the welfare of the people; by locating new settlers and industries; and by assisting in every other practical way in the upbuilding of the country with which it has cast its lot.

For tomorrow the outlook is encouraging. The territory is rich in varied resources. The people are intelligent, industrious, courageous, and look with confidence to the future. A better era in agriculture and business conditions seems under way. The Milwaukee Road can aid in this improvement and its entire personnel of over 50,000 loyal and competent men and women is pledged to this end.

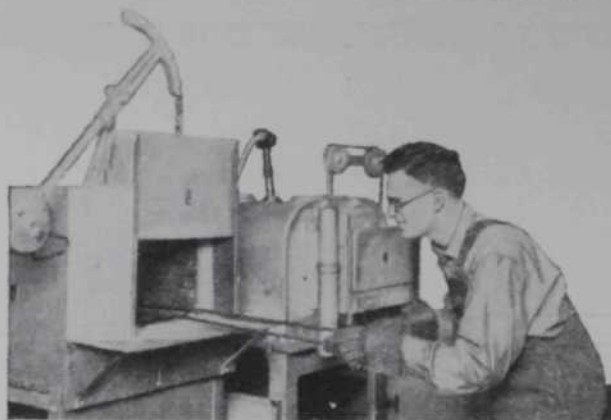
CHICAGO
MILWAUKEE
AND ST. PAUL
PACIFIC

H. W. Andrews
PRESIDENT

First of a series of advertisements about
The Milwaukee Road
and its territory

The MILWAUKEE ROAD





The Guild System Up to Date

By WILLIAM C. GOOKIN

Vice President, The Toledo Scale Company, Toledo, Ohio

AT THE office of the Toledo Scale Company late one afternoon recently, a visitor asked to see a departmental head of the company.

"You will find him out in the factory," said the girl at the desk. "He is working at the machines on the night shift."

Inclined to believe he was being made sport of, the visitor went with a boy to the factory. There his doubts were dispelled. He found his friend and others clad in soiled mechanics' overalls and sweating over grinding machines. The foreman of the machine department was teaching them how to use the machinery.

A skilled veteran of a quarter of a century's experience, the foreman was proud of his job.

Teaching the office men established him as a master about whom these apprentices must gather to learn his life trade.

The export manager, the auditor, the tool designer and other departmental heads were at work in various departments of the factory. They had begun their work in the first stages of scale making and, progressing through one step after another, were learning how to make the company's product.

The spirit these men have evidenced in their work has resulted in the development of mutual helpfulness and understanding.

The experience of our visitor is typical, because the company affords a real opportunity for general business and engineering training to progressive youngmen. Our program of personnel

training also includes evening classes in our clearing-house division for the training of sales representatives. These classes are attended by factory heads, who actually solicit business in their evening hours when not at their regular factory employment.

They must learn through first-hand knowledge and experience, some of the problems met in field solicitation.

One result of the system became apparent to the visitor when he overheard the remark of a workman. Watching one of the officials handling a big lathe, the man said in a voice heavy with pride,

"Can you tie that? How many other companies can show one of the big bosses getting nice and dirty like that at a sure-enough job? This is a regular outfit!"

It is obvious that such first-hand knowledge equips the officers ideally to deal with problems of the factory. It is

equally obvious that the workmen, studying the company's problems of marketing, waste elimination and overhead, acquire an intelligent attitude toward things which otherwise they would have growled over. The Toledo Scale Company is adapting the old guild system to modern manufacturing.

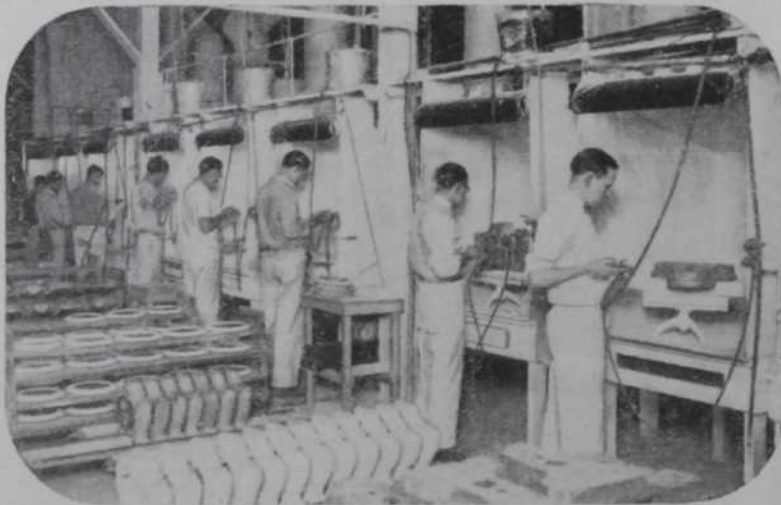
Another step has been to draw to the company young college graduates, and to put them through a gruelling course in all departments of the company. They may drop by the wayside, because college hands are not ideally adapted to swinging iron standards into electric furnaces. If they stick through, they find some branch of the work especially suited to their talents, and they go ahead in that.

Two such men, who pulled through the test with flying colors, have just been made managers of the company's interests in two great cities.

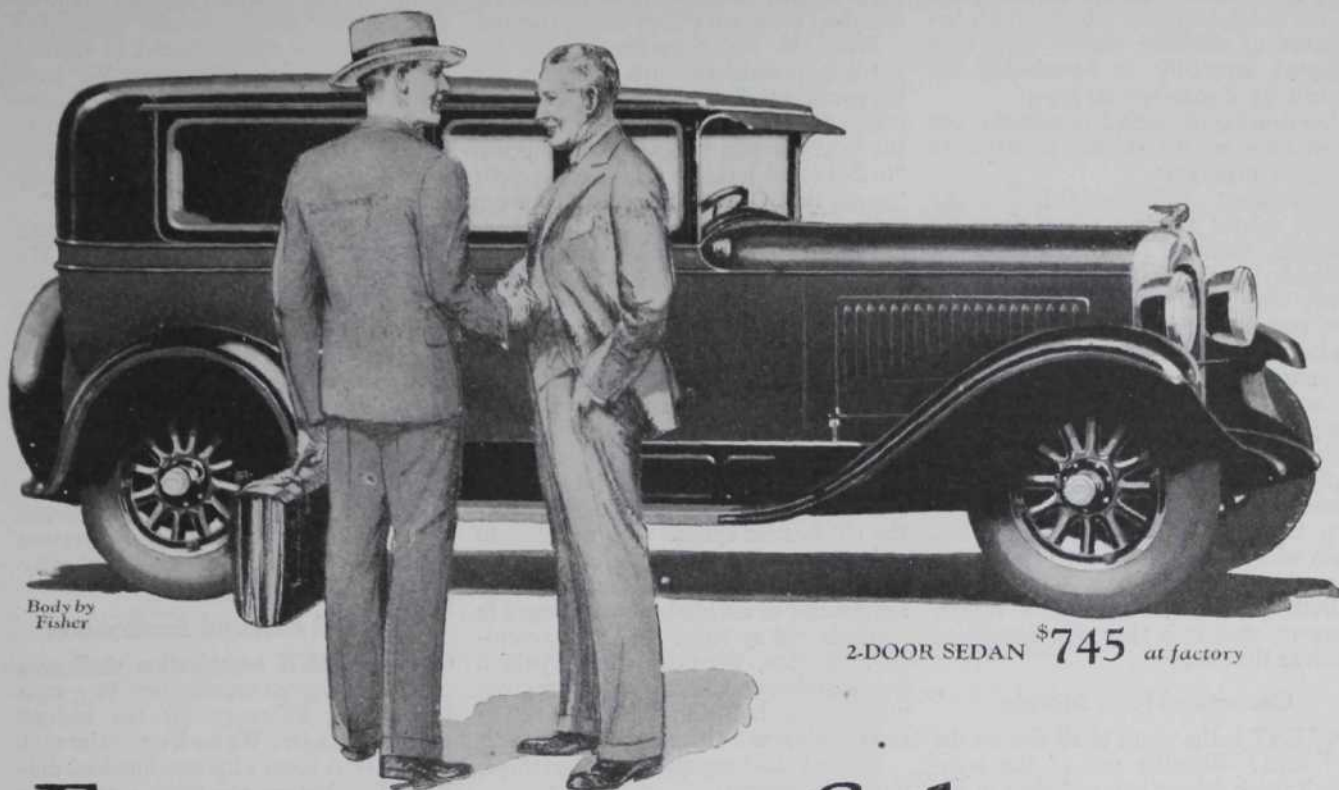
Describing this course, the company says:

"The training course has two objectives: to attract earnest, ambitious young men, and to assist those men to find themselves so that their efforts may be applied to the best advantage of themselves, which means the best advantage of the company.

"We believe this course holds out an unusual opportunity for serious young men. Apprentices in it are paid. But we expect to make excessive demands on them. We demand they work harder than most men, just as an engineer or a lawyer taking his post-graduate training works harder than the high school or college



Executives of the Toledo Scale Company spend three afternoons a week working in the factory as apprentices. This first-hand knowledge helps them in dealing with the problems of the plant. The morale of the workmen, too, is helped when they learn about administrative work, waste elimination, marketing and overhead

Body by
Fisher

2-DOOR SEDAN \$745 at factory

Executives *and* Salesmen *Both favor this General Motors Six*

Purchase of the Pontiac Six for the use of salesmen almost invariably results in the satisfaction of everyone concerned.

Pontiac economy appeals to the executive who counts the costs. Likewise, Pontiac reliability makes a decided hit with the sales executive.

And Pontiac handling ease, comfort and appearance win the unqualified favor of the salesman. They enable him to meet his customers with his energy unimpaired and with confidence in the knowledge that his car will make a favorable impression.

If you are interested in the commercial use of automobiles, write our Fleet Division to learn all the advantages offered by the Pontiac Six. Ask also for details of our Preferred Dealer Service Plan.

OAKLAND MOTOR CAR COMPANY, PONTIAC, MICHIGAN

OAKLAND PONTIAC

PRODUCTS OF *Sixes* GENERAL MOTORS

From some of the largest corporations in the world and from many smaller firms, letters have come in by the hundreds, asking for copies of the book, "Experiences of Various Companies in Handling Automobiles with Salesmen". . . . The book includes three general sections: "Who Buys the Car—the Company or the Salesman?"; "How are Operating Expenses Handled?"; and "Developing a Plan of Operation". . . . If you are interested in this book, or in Oakland's plan for cooperating with fleet users to reduce sales cost, send in the coupon below.

BOOKLET SENT UPON REQUEST—MAIL THE COUPON

Experiences

Oakland Motor Car Company,
Dept. K,
Pontiac, Michigan

Gentlemen:
Please send me a copy of the book: "Experiences of Various Companies in Handling Automobiles with Salesmen." Tell us more about your fleet user's plan.

(Name).....

(Company).....

(Title).....

(City)..... (State).....

student." These two steps are only parts of the great company school, which has a score of different classes, each class adapted especially to broadening the knowledge of some special group.

Condensing the school prospectus, one notes some of the courses available to company members:

Economics; salesmanship; traffic study; credit; service; advertising; accounting; chemical research; production methods; stockkeeping; industrial relations; blue-print reading; company policy; purchasing; blazing the trail; time studies; standardization; inspection; employment.

Four hundred and sixty-three men have completed these various courses since their establishment two years ago. As many more are now enrolled in them. Those who take these courses give their own time outside working hours; and those who teach likewise give their services voluntarily.

Both students and teachers realize, however, that it is they who benefit as much as the company.

Orchestra Helps Morale

WHAT is the result of all this on the men? Recently one of the company's truck drivers left, and went to another firm for employment. There was a job open for him.

"Have you got a company orchestra in this concern?" he asked the employment manager.

"No," answered the manager, astonished at such a question from a truck driver.

"Then I don't want to work here," said the truckman.

And he went back to his old company, where the company's orchestra apparently is valuable. This orchestra is another of the men's spontaneous creations. Composed of 40 pieces, it gives regular concerts in Toledo, for the benefit of the Boy Scouts and similar organizations.

Occasionally it broadcasts over the radio. Then the excitement throughout the company and its many branches is intense. After each such broadcasting, words of praise and instances of how the concert helped the field sales force come in from the salesmen scattered all over the country.

The company advanced the funds with which to buy the musical instruments, and the money advanced has been paid back as a result of concerts open to the public.

Another organization of the same sort within the company's ranks is the glee club.

Programs for Improvement

ANOTHER, and a tangible, result brought about by the increasing knowledge and the wider perspective of the men is seen in the regular pledges made by department foremen every month.

On their own initiative, this is significant, these men write down monthly certain advances they intend to make in their

departments. Some of these pledges are amusing; some are naive; all are spirited.

From the tool department came the sweeping promise to "turn in at least five improvements during this month." Another: "to reduce non-productive hours in the heavy capacity enamel shop"; and "to find a new location for the glue pots"; "to see that O. Ness inspects all foreign orders each week"; "to get all orders out on time"; "to study every man and his job"; "to study every job that is holding the percentage of piece work down, and to bring it up to 90 per cent or better."

Goals of Accomplishment

EVEN if, being human, the men do not live all the way up to their promises, they accomplish a vast improvement by living up half way, for that is just so much further than they would have gone under the old routine system with no goals to strive for.

A third benefit is that the men make suggestions of all kinds as to changes in methods and systems. For each accepted suggestion, the originator is paid a bonus, and he and his suggestion are given publicity on bulletin boards and in the company's house organ.

The last check-up on this system shows interesting figures:

Total suggestions received in last 3 months—874; adopted, 218; rejected, 40; others being investigated and worked out.

Nine of those adopted show a yearly saving of \$461.75, and the remainder show their value in increased safety and general efficiency, reports the personnel director.

After all, who can know as much about the daily work of these men as they themselves?

They are certainly the best equipped to make intelligent suggestions. The difficulty as a rule is to get them to show enough interest in their work to make any suggestions. Once they can be inspired, once they can be "sold" on the human element in their jobs, perhaps the most powerful of all influences has been set to work.

In the field selling force at the start of this year another manifestation of enthusiasm and lively interest was shown. The company's branches in cities throughout the country challenged branches in other cities of similar size, offering to lay bets on the sales of 1928. The bets were registered at the main office in Toledo; the company doubled the ante in each case, and the race is now under way. To quote a few of the telegrams between branches will reveal the spirit behind this serious fun:

"Indianapolis organization challenges Kansas City to a contest during February, contest to be settled on percentage of

quota for the branch. We will put up one hundred dollars on our claim that Indianapolis is model district of Central zone and we are proving it. We hope Kansas City can at least make this contest interesting, but, confidentially, they haven't a chance to win the money. Wire if challenge is accepted as we will be ready to go Monday morning."

"Men in this district tickled to death to take Indianapolis to a trimming. We are not in the habit of losing and don't intend to start now. When the pendulum stops swinging, they will have to line up their bearings, for we intend to give them a clean porcelain finish."

"We choose to run in the February contest against Class two unit Cleveland. Offer of company doubling jackpot makes us hot and ready. Going forward Monday eight a.m., armed with predetermined approach and standard demonstration and will knock out kid quota in early rounds. Let's go."

Sales and Bets and Earthquakes

BROOKLYN organization challenges Los Angeles organization to a contest during February for the highest amount net sales. We back our claim that we can beat them with two hundred dollars. Los Angeles will think earthquake district is in Brooklyn instead of Los Angeles if they take our bet, because we are going to shake them down."

Another important stimulant of morale is the company's habit of promoting men from within its own ranks.

In the last two years, the only exceptions to this rule have been the appointment of the European manager, who had to speak many languages, and a chemist, whose work required such a degree of special training that he had to be

sought outside the company.

Meantime, scores of promotions have been made of men whose experience had been obtained entirely in the organization.

Low Turnover, No Strikes

IT IS interesting to note, in this respect, that in this company, 552 of the men have had a total employment with the firm of 5,372 years, or an average of almost ten years each. Eighteen men have been on the payroll for more than twenty years.

There has never been a strike in the history of the company.

It is in this business of imparting enthusiasm to work that the ancient guilds excelled.

It is for that reason that the Toledo Scale Company presents this first indication of modern industry working toward the guild idea—a very old idea which is also very new.

A LOYAL, enthusiastic personnel is a big asset to any business. How can such a personnel be developed? The vice president of a manufacturing company tells in this article some of the things his firm is doing along this line, and something of the results it is accomplishing

Stock Records on a Burroughs

Your present system of posting the stores ledger may call for records of quantity only, value only, or both quantity and value, with or without typewritten description of the goods. You may have need for distinctive totals such as "Reserve for Unfilled Orders." Your system may be particular to your business.

Burroughs—in giving you the records you want—not only reduces the time or cost of the work but also furnishes automatic proof

- that every posting of quantity and value is correct;
- that no posting has been omitted; none made twice;
- that the posting medium was priced and extended correctly;
- that the posting was made to the right account;
- that new balances are correct.

Investigate! Check and mail the coupon.

CHECK APPLICATIONS WHICH INTEREST YOU

BURROUGHS ADDING MACHINE COMPANY, 6157 SECOND BOULEVARD, DETROIT, MICHIGAN

Gentlemen: Please send me more information on the bookkeeping problems I have checked.

Stock Records ☐

Of quantities—values—or both quantities and values together

Journalizing and General Ledger ☐

Complete typewritten description, or date and amount only

Accounts Receivable ☐

Ledger and statement in combination—ledger and end of month statement—with or without carbon—skeleton or itemized

Payroll ☐

On cash or check payments

Distribution ☐

Labor—materials—purchases—sales—expense—cash

Costs ☐

As shown on stores records, payroll and distribution summaries, cost sheets, etc.

Accounts Payable ☐

Ledgers with or without remittance advice—journal-voucher system instead of ledger—including registration of invoices

Sales Audit ☐

By clerks and departments, cash, charge and C. O. D.

Name _____

Firm _____

Address _____

Making Us Air-Minded

By HARRY GUGGENHEIM

As told to Raymond C. Willoughby

IT IS PLAIN enough that American business is finding in increasing measure that the airplane is a dependable tool for expediting a communication, and the exchange of goods and services. And it is just as obvious that a more intensive commercial application of plane service waits on the accomplishment of a national air-mindedness—a development that must begin with the rising generation.

To that purpose the Daniel Guggenheim Fund for the Promotion of Aeronautics has established a Committee on Elementary and Secondary Aeronautical Education. This newest use of the Fund made available in the name of his father again reflects Harry Guggenheim's active interest in the progress of aviation in the United States.

Provision of the Fund itself eloquently suggests an intelligent understanding of the need for advancing popular acceptance of airplane transportation. But it is in his own appraisal of our lack of familiarity with the whole science of aeronautics that Mr. Guggenheim's interest comes to a more personal focus. In a statement to NATION'S BUSINESS he gave vigorous emphasis to his belief in the efficacy of education.

When the airplane was a "stunt" machine, of no cosmic utility, there was no reason why any general education in aeronautics should be provided. Now that it is rapidly becoming a regular method of transportation, as a common carrier like the railroad, a knowledge of aeronautics becomes an essential item in civilization's curriculum.

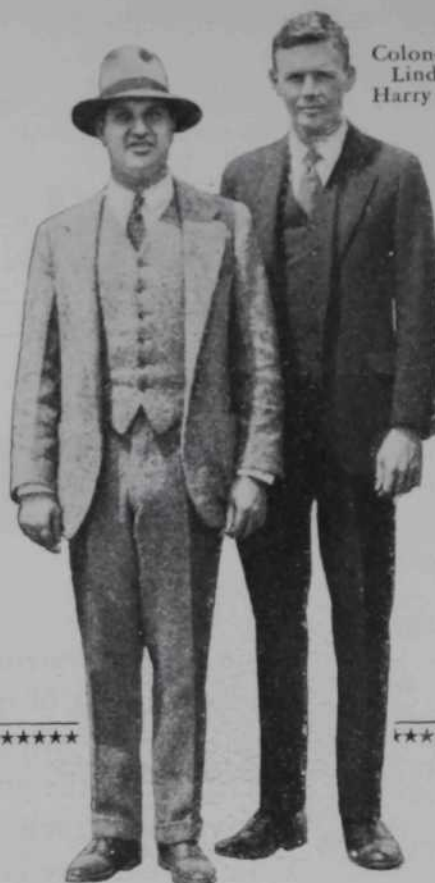
In establishing a Committee on Elementary and Secondary Aeronautical Education, the Daniel Guggenheim Fund for the Promotion of Aeronautics felt the need of making available to the young people of the country adequate instruction in the science of flying.

The timeliness of the project is confirmed with the amazing surge of popular interest in aviation during 1927. As Mr. Guggenheim put it:

"The beginning of this year seemed to be a particularly favorable time for a project of this kind. The year 1927 was crowded with sensational achievements in aviation. Particularly as a result of Colonel Lindbergh's memorable flight across the Atlantic, the airplane became a vivid and dramatic instrument of travel for the American boy and girl. Airplane manufacturers have been working to capacity to supply the demand for literally thousands of planes."

The original announcement of the formation of the committee provides a picture of the plan in miniature, with this text:

"There is today a widespread interest in aviation among the young people of the country; the committee will seek to establish this interest on accurate information. Because it is



Colonel Charles A. Lindbergh and Harry Guggenheim

Colonel Lindbergh Writes

to the Editor of Nation's Business:

THE Daniel Guggenheim Fund for the promotion of aeronautics was originally formed in 1926 because of the belief of the founder that before civil aviation could develop its possibilities to the full, it would have to pass through a period of study and experimentation. The realization of such a period could be materially hastened by some non-commercial organization such as the Fund.

Without doubt the science of aeronautics would have advanced far more rapidly in the long years since the Wright brothers made their memorable flight in 1903, if some organization had been endowed to aid in aeronautical research.

The Fund has no other purpose than to assist in making air transportation safe, popular and regularly available. Its work includes not only an effort to further the mechanical perfection of the airplane, but a study of the proper facilities for navigation, and the recognition of these developments by the public through education. The Fund is not a permanent organization; when its purpose is accomplished, it will terminate its existence.

The development of a swift and comprehensive method of transportation by air has an economic and social importance that is obvious. The work of the Fund has already contributed to the establishment of an enduring basis for aeronautical progress.



HALF A MINUTE. The grand rush! You've slept late. You've an extra job to do before going to work. Whatever the reason, rely on the swift, even sureness of your Gillette Blade for the smoothest shave per second in the world.



ONE MINUTE. Just sixty seconds of lathering and then you put your Gillette to work. A different lathering time means a different job for your Gillette Blade—but always the same smooth comfort.



TWO MINUTES. A bit longer for your beard to soften. Time for lathering may vary from day to day but there's one unchanging thing about your daily shave that brings sure, smooth comfort—your even-tempered Gillette Blade.

You fast shavers— here's the smoothest, surest shave per second in the world!

TIME affects the comfort of your shave, of course. Lots of men have to "race" it. Slow shaving is a luxury which we can't always afford.

But the smooth, kind, thorough job that the Gillette Blade does on its easy path is something you can't afford to pass up—for it's the smoothest shave *per second* in the world.

Gillette hones and strops every blade on instruments so fine that variation of one ten-thousandth of an inch sends out a tell-tale signal. Gillette "coaxes" perfect shaves into every blade as no human hands could possibly hone and strop it. And nearly half of Gillette's people are special inspectors, paid double when they find a single blade that won't do a superb job of shaving.

It has cost twelve million dollars in the last ten years alone to keep this blade doing its job so uniformly and so *well* that eight out of ten men prefer it.

Gillette keeps faces smooth and comfortable; men of sixty look twenty years younger; young men are starting right, and staying young. No man ever gave the Gillette Blade the identical task two days in succession. Shaving conditions may change, but the blade meets every man's conditions.

GILLETTE SAFETY RAZOR CO., BOSTON, U. S. A.



THREE MINUTES. For thorough preparation of your face, three minutes is the ideal time. It may seem a bit luxurious to spend so much time lathering up, but you'll be repaid by the fullest measure of shaving ease and comfort that your Gillette Blade can give you.



To be sure of a smooth, comfortable shave under *any* conditions, slip a fresh Gillette Blade in your razor.

Gillette



possible that the children of today will, upon maturity, be living in an age when transportation by air will be a common feature of life, it is particularly important that the principles and methods of aviation should be familiar to their minds."

In amplifying this announcement, Mr. Guggenheim said:

"The plan for offering instruction in aeronautics in secondary schools follows the successful establishment of aeronautical engineering laboratories and courses in four leading American universities. The Daniel Guggenheim Fund has given a total of \$808,000 to the California Institute of Technology, Leland Stanford University, Massachusetts Institute of Technology and the University of Michigan. In addition, Daniel Guggenheim has founded a School of Aeronautics at New York University with an endowment of \$500,000.

Education of Youth

"THE Fund looks upon these and similar grants on a smaller scale as efforts along the lines of adult education. It believes, however, that if the next generation is to be air-minded and to accept transportation by air with the confidence derived from familiarity and understanding, it is necessary to extend the plan of education to include elementary and secondary schools throughout the country."

The youth of commercial aviation is tersely suggested in his crisp commentary on Colonel Lindbergh's "flying sense"—

"There is no one today who doubts that Colonel Lindbergh knows a great deal about flying. It is interesting to note that he has acquired all his information since he left school. That was perfectly natural then because although that was not very long ago, aviation either was used for military purposes only or was the hobby and experiment of a few individuals.

"Today it is different, and tomorrow it will be more different still. Today the air mail flies every day and night to its appointed destination; there are hundreds of private individuals and corporations who have planes; and the commercial uses of the airplanes are recognized. Tomorrow the airplane will be a regular feature of our economic system, a common carrier at the services of the public."

But Mr. Guggenheim's optimism for the sound development of our aeronautical education glows brightly in this assurance:

"This, as you can see, makes an aeronautical education quite a different matter from what it was ten or fifteen years ago. Then there were only a very few people who would ever use an airplane; now, it is likely that almost every boy and girl will be brought upon maturity intimately into contact with aviation; the airplane will be an ordinary item in their lives."

The structure of the committee, the distribution of its membership, and the character of its work he explained with saying:

"The new committee is composed of

approximately eighty leading educators throughout the country, most of whom are superintendents of schools in cities which have 100,000 population or more. The committee will attempt to devise ways and means by which an education in the principles and practices of aviation can be supplied. The American school boy is not only going to need information in regard to aeronautics in the future; he wants it. The purpose of the committee is to answer the question: How can this information best be given him?

"Instruction in aeronautics should be chiefly supplementary to other courses such as geography, science and economics. Most of us are already aware that the average school curriculum is fairly well crowded with courses.

"One of the duties of this committee is to prevent any over-crowding because of this additional subject. The study of aeronautics must be introduced with care so as not to disturb the existing balance of the curriculum.

"The United States now leads the world in commercial and civil aviation. With the one exception of passenger transportation, in no country has the commercial and civil use of the airplane been extended to the same degree as here. From the foreign representatives of the Daniel Guggenheim Fund for the Promotion of Aeronautics, I am informed that the total number of commercial and civil airplanes in Germany, France, England and Italy is 1,877 for the four countries combined.

"In the United States the total number of commercial and civil airplanes is

3,230. There are 78 airplane factories in the four countries mentioned; in the United States there are 103. Our system for the transportation of air mail covering all the leading cities in the country has no equal anywhere."

Whatever accent the Guggenheim Fund puts on the theoretical aspects of aviation, it is certain that its sponsors have due regard for the practical benefits of this educational campaign in behalf of national air-mindedness. The commercial possibilities Mr. Guggenheim has summed up:

Has Commercial Value

"BUSINESS, of course, looks upon the airplane chiefly with regard to its potential value in commerce. From our contact with the problems and the developments in aviation, we are convinced that transportation by air will develop into a system as regular and as efficient as that of the American railroad. What the airplane lacks in carrying capacity, it will make up in speed and time-saving. Like the motor bus, it should in many instances be incorporated in the railroad system as a part of railroad service.

"In other words, the Fund believes that the airplanes eventually will become of the highest value to business. And it follows from this, that if business is to profit to the full by the improving uses of aviation, the next generation must be familiar with the science of aeronautics and the mechanics of flying."

Those words almost reveal the motto, "Greater use of the airplane through popular education."

The Chain Store Question

NATION'S BUSINESS has received many letters from readers discussing the chain-store question since its publication, in the May number, of the article, "The Chain Store and Your Community." This article was written by ten leading chain-store executives throughout the country to show what their stores are doing to cooperate with the communities in which they are located.

The chain store and its relation to the community is a living, breathing subject. The symposium in May has brought us a pretty steady fire for the most part of disagreement.

MR. H. G. DETTHOF of the Detthof Hardware Company, Muscatine, Iowa, and who describes himself as "a small retailer in a city of 17,000," makes this pointed contribution:

Out here in Iowa, we are trying to get out of the mud, and are graveling a great many of our main roads tributary to Muscatine. I have been on committees and have solicited funds to help gravel these roads, and have yet to get the first dollar from a chain store to help gravel roads. The manager would tell us if he donated any cash, it

would have to be paid out of his own pocket, he had no donation account. Further, the same rule applies when we go out each year on drives for the Y. M. C. A., Y. W. C. A., Welfare Association, Boy Scouts, etc., they fail to donate. We men who have done this work know that, and here is a specific case to show how they work with the community.

Last week our schools put on a Health Campaign, showing pictures and work done by the pupils relative to teaching children how to live healthy and clean. A manager of a certain chain store, and he is a member of a service club, gave his consent to have the posters placed in his window, just as others in this club volunteered to do. When the Health Supervisor took the posters to him, he refused to put them in his window, his excuse being that he had to put on his big May sale, and could not have the pictures in the window. If all of the retailers had done as he did, where would they have put their display? There would have been no exhibit.

The thought that comes to us is this: If it is fair for a chain store to get all the money they can out of a community and refuse to help by cash donations, to help on the many home enterprises that come for aid in every city like ours, what will happen to our Y. W. C. A., Y. M. C. A. and others,

(Continued on page 85)

News for every truck user

New Wheel Bases

Now there are THIRTEEN new Speed Wagon Chassis—with wheelbases ranging from 115 to 175 inches—capacities from 1/2 ton to 3 tons—and with an average of TWO standard body types for each model.

New 4-Wheel Brakes

Hydraulic—not mechanical. Internal expanding—not external contracting. Always in adjustment, no cables to stretch, no rods to bend. Equal to every job, no matter how heavy the load. Protected against dirt and moisture—they stop you in any weather on any road, in reverse or going forward. These brakes are on ALL the new Speed Wagons—and in addition there is the independent hand lever brake operating on the propellor shaft.

New Low Prices

Here are price reductions ranging up to \$260 that put Speed Wagon values even further in advance of anything else on the market today:

	Capacity	Wheelbase	Chassis Prices at Lansing
JUNIOR	1/2 Ton	115"	\$ 895
TONNER	1 Ton	123"	995
TONNER	1 Ton	138"	1,075
STANDARD	1 1/2 Ton	133"	1,245
STANDARD	1 1/2 Ton	148"	1,345
GENERAL UTILITY	1 1/2 Ton	143"	1,345
LIGHT BUS	12 Passenger	143"	1,405
MASTER	2 Ton	148"	1,545
MASTER	2 Ton	164"	1,645
HEAVY DUTY	3 Ton	159"	1,985
HEAVY DUTY DUMP	2 Cu. Yd.	130"	1,935
175" COMMERCIAL	3 Ton	175"	2,090
175" BUS	21 Passenger	175"	2,150

REO MOTOR CAR COMPANY, Lansing, Michigan

SPEED WAGON

powered with  six-cylinder motors

When buying a REO SPEED WAGON please mention Nation's Business to the dealer

Women read advertisements. As purchasing agents of the American home they need information on which to base selections



Why Women Read Advertisements

By ROY S. DURSTINE

Secretary-Treasurer, Barton, Durstine & Osborn, Inc., N. Y.

Illustrations by Sydney E. Fletcher

THE women of America, who do nearly all the shopping, and the manufacturers of America have come to understand one another perfectly. And the basis of their understanding is advertising.

Not so many years ago most American women were pretty busy doing the things that manufacturers are doing for them today.

Women were old at forty and soon passed on, while their hardier husbands chose younger, stronger helpmates to take up the burden.

"Why did you get married again so soon?" some one asked a middle-western farmer a month after his first wife died forty years ago.

"Well," was the answer, "it was either that or get a hired girl."

No wonder women on farms and in small towns and in Louisville and Atlanta and Seattle said to American industry:

"We are tired of growing everything

we eat and of making everything we wear and use. Why can't we go into the nearest store and buy what we need when we need it?"

Industry replied:

"We can make anything. But we are in Camden or Troy or Chicago. Even though we can put what we make into stores near you, how can we get you to go in and ask for it?"

And the reply was:

"You might tell us."

And advertising is the maker's way of telling them.

Stimulation of Advertising

UNDER its stimulation," said Calvin Coolidge in his address to the American Association of Advertising Agencies in Washington in 1926, "the country has gone from the old hand methods of production which were so slow and laborious, with high unit costs and low wages, to our present great factory system and its

mass production with the astonishing result of low unit costs and high wages. The preeminence of America in industry, which has constantly brought about a reduction of costs, has come very largely through mass production. Mass production is possible only where there is mass demand. Mass demand has been created almost entirely through the development of advertising.

"In former days goods were expected to sell themselves. Oftentimes they were carried from door to door. Otherwise, they were displayed on the shelves and counters of the merchants. The public were supposed to know of these sources of supply and depend on themselves for their knowledge of what was to be sold. Modern business could neither have been created nor can it be maintained on any such system. It constantly requires publicity. It is not enough that goods are made—a demand for them must also be made. It is on this foundation of enlarging production through the demands created by advertising that very much of the success of the American industrial system rests."

Of itself and for itself, advertising is of no more importance than a third rail before the current is turned on. It is the vehicle which carries the message; that's all. No woman ever says to herself:

"Now I must look through all of these advertisements to see what a lot of things

... consider, for example, the old-time lemon drops compared with the lively-selling fruit-drops of to-day



peacefully
reposing in
a glass jar
—more on
exhibition
than on sale



Always within easy
reach of the casual
purchaser

Of interest to all executives who have
a product which might be given a fresh
sales impetus through a modern form
of wrapping.

THE "weak-sister" of a line can frequently be made a "leading lady" merely by the proper make-up. Compare, for example, the old-time lemon-drops with the modern package of fruit drops. The one "reposed" in a glass jar, high up on the dealer's shelf—more on exhibition than on sale. The other is always within easy reach—always ready to catch the easy-going nickel.

This is a good example of how the right type of package can give a slow-moving staple a fresh sales impetus.

It has been our privilege, during the past 25 years, to work with America's leading package goods manufacturers in the creation of packages that sell—and to provide the wrapping machinery necessary to large-volume production. Today, the leading brands

of fruit-drops, confectionery, soap, cereals, cigarettes, crackers, chewing-gum etc., are wrapped on our machines—over 100 million packages per day.

Have you a product which you would like to place abreast of the large-volume leaders? No matter how different it may be, bring it to us—an organization which has built machines for wrapping such difficult products as small yeast-cakes, soft layer cakes, brittle sticks of chewing-gum, bouillon cubes, etc., is more than likely to have the resourcefulness necessary to provide a machine to fill your requirements. Solving problems built our business!

PACKAGE MACHINERY COMPANY

Springfield, Massachusetts

New York: 50 Church Street

Chicago: 111 W. Washington Street

London: Windsor House, Victoria Street



PACKAGE MACHINERY COMPANY

Over 100 Million Packages per day are wrapped on our Machines

these manufacturers would like to sell me."

In fact, it isn't at all difficult to argue yourself into the belief that nobody reads advertisements anyway, that only an occasional person glances at them, and that probably the whole thing is wasted and if manufacturers were wise they would save their money and leave you alone.

"Why's" in Distribution

BUT WHY should one make of phonograph have outdistanced the others in less than twenty years?

How can certain brands of soap and breakfast food and motor cars and linoleum and talcum powder and coffee and radio and refrigerators be found all over the country?

Why do most people think of a certain kind when you mention an alarm clock?

Does one sort of soap just happen to be in every grocery store? And vacuum cleaners and kitchen stoves and mops and writing paper and candy—how do you happen to think of one or two outstanding names whenever these things are mentioned?

And what became of that laundry soap which used to have its name on every fence-rail and that breakfast food with the funny man on the package and that dentifrice on your grandmother's wash-stand?

Stripping it down to its essentials, the story in each case is identical:

Some manufacturers have kept on telling American women and some have stopped.

They made a good product, yes. They packed it well and shipped it well, yes.

They sent out salesmen with samples to show to the retail storekeeper, yes. But some of them found that still women wouldn't buy unless it was explained why they should.

Some makers found, too, that if they did tell the American women, the American women would buy.

Then a curious new discovery was made. It was that they could multiply their sales without multiplying their cost in the same proportion.

It costs a doctor just ten times as much to set ten broken arms as one. But the man who makes the surgeon's gauze to wrap around those arms finds that he can make enough for ten arms at much less than ten times the cost of gauze for one arm.

So manufacturers found that if they could sell by the carload instead of by the handful, each thing they made cost less.

Advertising, it follows, is useful because it enables a manufacturer to make and sell more economically than he could without advertising; or to keep his price the same in the face of rising costs of raw materials and labor.

A man who makes a product selling exclusively to women worked for three solid years in his laboratory and mills before he produced a sample which satisfied him. It was based on thousands of interviews with women in their own homes where they were asked to tell exactly what kind of

product they wanted when they shopped.

With the satisfactory sample in his hand this manufacturer gave orders to buy an experimental automatic machine costing twenty thousand dollars.

"I will need ten of those to turn out enough of this product to sell it at fifty cents," he said.

A famous cake of soap still sells at ten cents to American women though the workmen who make it are paid three or four times as much as they were fifteen years ago. Mass production makes this possible.

Advertising is useful because it enables a manufacturer to make and sell more economically than he could without advertising; or as a corollary, to keep his price the same in the face of rising costs of raw materials and labor.

To be successful any business must make a profit. Anything that can let a manufacturer buy more cheaply because he buys in larger quantities; anything that can make his salesmen sell more rapidly and carry less baggage; anything that can lower the cost of his credit department by making merchants want to pay his bills promptly so that they can get more of his merchandise; anything that can make the public prefer his product because they know it will be as good today as it was yesterday; anything that does all of these things contributes to every department of a business. And that something that does them is advertising.



There is no economic waste in telling the woman how to raise living standards and to gain leisure for recreation

There are probably some manufacturers who have failed to pass on to the public the savings which advertising has helped them get from mass production.

But these facts stand out:

The great majority of advertisers are those successful manufacturers who have kept faith with the American public.

They have made products of uniform merit and the American woman knows that when she moves from one city to another or when she goes to a summer resort or when she is visiting in a strange community, she can go to the nearest store and buy the products she has known back at home and they will be exactly the same.

Buys Trade-Marked Goods

SHE CARRIES a certain trade mark in her memory and that trade mark, she knows, is the manufacturer's pledge to her.

Her experience has told her that after she has tried several kinds of things and settled on the one she liked best, it is better for her to keep on buying the one that carries her favorite brand than to accept one of uncertain quality under a strange name.

Think of the name of your car. If you are thinking of buying a new one and if a salesman drives up to your door tomorrow and tells you that it is the new Jones Automobile, exactly like the one you want and *twenty dollars cheaper*, wouldn't you say to him:

"All right, young man, but the next car we get will be another of the same old make. We know that car!"

Women are saying much the same thing all over the country every day in every kind of store. They know that if a grocer offers them Brown's Beans or Robinson's Pickles or Jones' Soup instead of the kind they recognize instantly, he hasn't much chance to make a sale.

The sensible merchant doesn't try to urge customers to take something they don't want. One of the biggest chains of stores in the country, after years of trying to sell their own brands instead of better known packages, has recently told its store managers to put forward the nationally advertised brands.

A merchant may say very frankly:

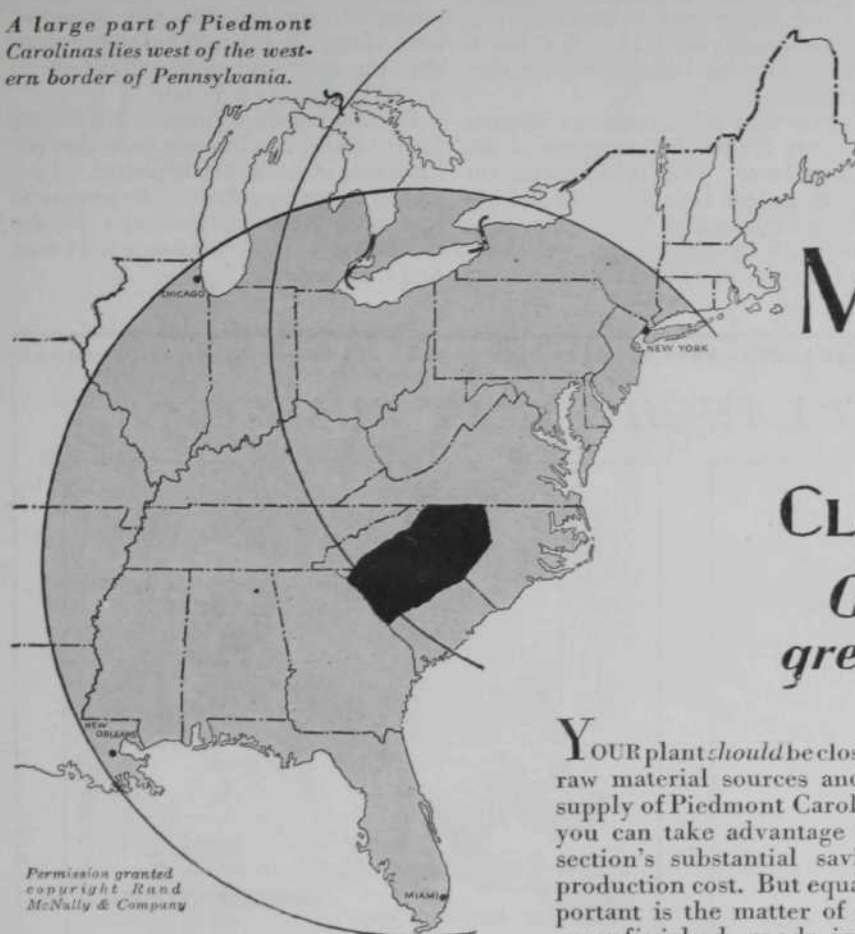
"Here is a new kind of jam. We hear very good things about it and I wish you would try it and tell me what you think."

Most women will respond to that. And

if the merchant is honest in his trial of a good new product, his customer may find that she has found a new friend—particularly if the maker thought enough of his product to tell her the news about it in sincere, convincing advertising.

Recently a theory has been advanced that women are incompetent to judge the relative merit of various products and that there should be little groups of scientists scattered over the country to grade everything so that women will know what to

A large part of Piedmont Carolinas lies west of the western border of Pennsylvania.



Permission granted
copyright Rand
McNally & Company

A warm welcome awaits you in Piedmont Carolinas.

In this hospitable Southern section, neighborliness and the art of living have not been crowded out by congestion and over-building.

Average summer temperature is equal to that of Pennsylvania. The Poconos and Alleghenies have their counterpart in bracing upland sections of the Blue Ridge. Winter averages 20° to 25° warmer. There are 30 to 50 fewer rainy days.

Nearby are the famous Carolina mountain resorts. A few hours over splendid roads take you to Carolina year-round ocean sports. The golf at Aiken, Pinehurst and Southern Pines is world renowned.

Good business and good living go hand in hand in Piedmont Carolinas.

A Word as to Labor in Piedmont Carolinas.

For every man and woman now at work in factories three are still on farms and eager for industrial employment. Sprung from old pioneer stock, 99% native born, the labor of Piedmont Carolinas is keen, intelligent and unusually productive. There is a large body of well trained workmen available for highly skilled operations, and a steady supply of untrained help yet to be brought in from the farms.



This book, *Piedmont Carolinas, Where Wealth Awaits You*, tells just what you want to know, must know if you are to meet successfully the sharp competition of the near future. Brief, Condensed, Facts that will help you decide wisely, whether you can utilize the advantages offered here. Send for it, today.

A request to our Industrial Department, Room 116, Mercantile Building, Charlotte, N. C., will receive a prompt and courteous response. Write.

MOVE YOUR FACTORY CLOSE TO MARKET

*Give it this 51.1%
greater chance to sell-*

YOUR plant should be close to the raw material sources and labor supply of Piedmont Carolinas so you can take advantage of this section's substantial savings in production cost. But equally important is the matter of getting your finished goods into the hands of buyers.

Being approximately 300 miles closer to the Nation's center of population than the three leading seaports of the North Atlantic states, this section offers a 51.1% greater availability to the country's buying centers.

A 600-mile radius (the economical marketing circle) centered on the heart of that section reaches 44.5% of the total purchasing power of the Union. A similar circle, drawn from Piedmont Carolinas, reaches 66.8% of the country's purchasing power—a market greater by half again.

If you can cut your present costs one-tenth to one-quarter, and increase the availability of your goods by one-half, that is a combination that wins and holds markets! That is the combination of advantages open to the manufacturer in Piedmont Carolinas.

Possibly it is what has attracted new plants to this section at the rate of one every four days for the past six months!

Can You Take Advantage of These Conditions?

No one can answer but yourself. In your present location you know what raw materials you use, what wage scales you pay, what your land and buildings cost in overhead. You know whether legislation is favorable or not, whether labor is productive or hampered by restrictions. But do you know the facts about these things in Piedmont Carolinas?



DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY AND OTHER ALLIED INTERESTS

buy and what is not worth their buying.

Where is the manufacturer who would be willing to invest a half million dollars in a factory and machinery and raw materials and labor and then ask the good scientists to tell him whether he could sell or not? When he finally turned out one sample of his new product and had it examined and graded by this scientific group, suppose they marked him one point below another marker.

What is he supposed to do? Tear down

his factory and lose half a million dollars?

No one can control human initiative as automatically as that. And it's a lucky thing for the American woman that no one can.

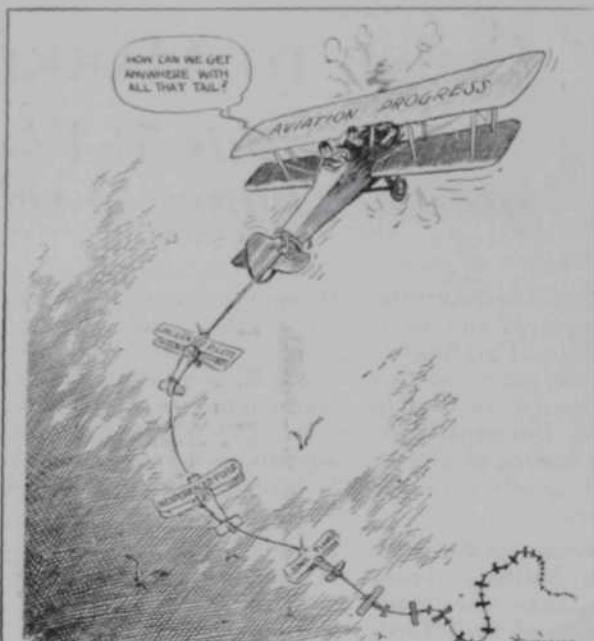
Women read advertisements because women are the purchasing agents of the American home. They need information on which to base their selections and advertising supplies that information.

They may find reliable firms which do not advertise. But they know that when

a firm does advertise it is putting the pledge of its business integrity behind its advertising. Experience has shown them that the company which puts itself on record is surer to play fair.

Because women do most of the buying for the home, it is through them that our standards of living are improved. They are the ones who welcomed the inventions that made home management a job for the head rather than the hands and knees. And who wouldn't?

LOOKING AND LAUGHING AT BUSINESS



SHOTMAKER IN THE CHICAGO DAILY NEWS
Too Much Tail to the Kite



CHAPIN IN PHILADELPHIA LEDGER
Good Riddance



DONAHAY IN CLEVELAND PLAIN DEALER
Saddled!



EDWARD DUFFY
DUFFY IN THE BALTIMORE SUN
Tired of Towing

If Your Business Trend is Backward



THE gradual decay of a once flourishing business is sad to watch and sadder still to be involved in.

We see it in process every day somewhere within our business range of vision — and always with regret.

A closed state of mind is the usual first cause — a reversion to progressive policies the only cure. Many a sound, but backward business has been started again towards the heights by the timely introduction of Commercial Credit Service.

COMMERCIAL CREDIT COMPANIES Commercial Bankers

Cash, Capital and Surplus \$29,000,000

COMMERCIAL CREDIT COMPANY BALTIMORE
COMMERCIAL CREDIT CORPORATION NEW YORK
COMMERCIAL CREDIT TRUST CHICAGO
COMMERCIAL CREDIT COMPANY, Inc. NEW ORLEANS
COMMERCIAL CREDIT COMPANY SAN FRANCISCO

NATIONAL HEADQUARTERS . . . BALTIMORE

Wherever you are . . . Whatever you make, sell or buy . . . Investigate Commercial Credit Service

To the Banker

Among your clients is perhaps a machinery or plant equipment manufacturer who is not making headway. His product is good and the need for it great. But he is losing out in competition through an over-conservative policy.

Of the many manufacturers who could advantageously install one or more units of his current line, only a few can spare the immediate cash for that purpose. And his terms are closely limited.

One and all of those manufacturers could make such equipment pay for itself through increased output, lowered costs or decreased overhead. If allowed to pay for it as its earnings or savings accrued, they would gladly put it in today, but their liquid capital is not sufficient to justify purchase on the restricted terms offered by its manufacturer.

Commercial Credit Service will start this producer on the upward curve again. It is serving other manufacturers — perhaps his own competitors — in just this way. It is putting new machinery, money saving equipment and utilities of many kinds into the hands of those who need them most on terms that make it practical for them to buy.

No cluttering of bank lines with the buyer's paper, no costly organization to take care of the detail. We provide the money and collect the accounts.

It is to our mutual interest to make this useful service as valuable as possible to industry.



We Enter the Era of Buymanship

By JAMES H. COLLINS

Cartoon by C. R. Macauley

ELBERT HUBBARD once wrote a description of a purchasing agent, paying caustic regards to his coldness, and so on. He wound up by consigning the buyer to a place of some warmth.

Most fellows who deal with purchasing agents have that skit, and produce it when you suggest that something new called scientific *buymanship* is on the way.

The long-standing feud between seller and purchasing agent has been fought principally on price. The mere art of buymanship begins by making price, not the first consideration, but the third. Quality and service are considered of more importance. Not only is price made third, but the purchasing agent, following the new scientific method, actually proposes that the seller shall be assured of a profit! That sounds much like saying that there is a Santa Claus.

Yet it is true, and the motive is a more enlightened form of selfishness than the old practice of screwing the seller down to the most impossible price. For if you do that, you purchase perhaps one lot of stuff at bargain prices, putting the seller into bankruptcy or forcing him to cut wages. But if you intelligently assist him to make a rational price along with a decent profit, you help him maintain consumer purchasing power in his employees, who in turn may become customers for your goods.

Emotion Out of Place

SALESMANSHIP and buymanship often clash. The salesman tries the emotional appeal with the purchasing agent following buying science for a big corporation. And one of the first rules in buymanship is, "Do not emote."

The buyman says, first of all, "I do not intend to take the seller's word for anything—I will get my own information."

Thousands of things used regularly in business have been reduced to standards and are bought on specifications. Uncle Sam has a wonderful collection of such specifications, developed by the Bureau of Standards for his own buying, and they are being widely used in buymanship.



"If the purchaser put the seller in the soup, that was the final proof that he had made a good bargain"

Buymanship uses them to control, not prices, but quality. And after it has extracted the emotion from buying and got a dollar's worth for a dollar, it turns to other essentials.

Price isn't even the second thing in buymanship.

Quality is first, and then comes something that the buyman calls "service," which, followed to its logical base, is found to be the precious new form of business energy that the whole country is now seeking and nursing—consumer purchasing power.

The buyman produces his specification for carbon paper, and the seller meets that specification on quality, at a price no higher than the other fellows.

"Fine!" says the buyman. "Now I must look into two or three more little points. Do you make a decent profit on this stuff?"

"Well—yes," says the seller. "The margin's pretty close, yet I'd be satisfied if I could run my mill twelve months a year at that figure. You see, in the carbon paper industry, we have dull spells."

"I suspect you do," says the buyman. "Dull spells are very interesting to me. I wonder if a good big order placed so you could run your factory full tilt during the next dull spell would enable you to make us a price still lower."

The seller's face falls and breaks in a million pieces. This is no pleasant dream—he is talking to a buyer again.

"How much lower?" he asks suspiciously.

"We could work that out together."

Too much buying is done in busy seasons, when prices are highest and service poorest. Then come dull spells, when nobody buys, and the manufacturer has to lay off help. We have considerable buying power here and can adjust it so you'll run on our orders through dull seasons. Help is easier to manage when it has steady work, quality is better, overhead is kept down. We have buying capacity here that will help you balance your production year. We offer to sell it to you for a share in the economies."

When the buyman says that he must not take the seller's word for prices, quality, ability to make deliveries and such factors, he means something like this. The hard-boiled buyer that everybody loathes played a game of matching one seller against another, and his wits against all of them, on price. He could smell an approaching bankruptcy and knew every little job lot lying around that could be used as a lever to force price concessions.

Teamwork All Around

HE knew a lot—but buymanship considers that he knew next to nothing. Buymanship goes out to see how business can be dovetailed together to conserve purchasing power and, when prices are concerned, digs further back to see what governs prices.

I got this story of the ivory disks from one of the best buymen in the country, Mr. William F. Bancker, purchasing agent for the Western Electric Company, which makes telephone apparatus.

Ivory disks are used on telephone switchboards, millions of them, little markers the size of a dime. Nothing better than ivory has ever been found for the purpose. For years, ivory disks were cheap and plentiful—a waste product, in fact, because they were made from scraps of ivory left over in the turning of billiard balls.

Suddenly, zowie! ivory disks began to soar. Buymanship maintains a research department to look into such things rather than try to meet the situation by blind bargaining. The literature of ivory



What Does the Lobby Chair Cost YOU?

Here is a picture of Bill Signem, salesman. Bill is going to sit in that lobby chair and wait—wait for the train to leave. He should be on his way to the next town—but he can't leave because he is chained to that chair by a time table—a time table prepared by railroad men with little thought of Bill's commissions or his boss's profits.

Just how much time is lost each year by salesmen sitting in lobby chairs would be difficult to determine, but it surely is a costly factor in modern distribution.

There is a way to cut these costs—to reduce them to a minimum—through the use of motor cars.

Dodge Brothers were pioneers in the field of commercial car fleet development, and are now better qualified than ever to co-

operate with large and small businesses in this important phase of cost-cutting.

Dodge Brothers Standard and Victory Sixes offer transportation to salesmen that is dependable, economical, and prestige-building—the type of equipment that your salesmen will be proud to use.

We have just published a most interesting booklet entitled, "The Economy of a Motorized Sales Force." If you will drop us a line on your business letterhead, we will be glad to send you a complimentary copy—at no cost or obligation on your part, of course. It not only tells what other firms have done to lower the unit cost per sale but gives valuable information on the much discussed subject of whether the salesman or the company should own the cars.

*Three Great Sixes—The Senior, The Victory and The Standard
Graham Brothers Motor Coaches, Trucks and Commercial Cars*

DODGE BROTHERS, INC.

DETROIT, MICHIGAN

When writing to DODGE BROTHERS, INC., please mention Nation's Business

was looked up first. It disclosed nothing about ivory disks, except that some day the elephant population of the world will probably come to an end. Ivory kept coming into the country. The investigation was extended to the trade, and there a perfectly logical reason was found for advancing prices.

Carvers Run Up Price

DURING our years of high immigration, many ivory carvers had come from Europe. These men were taking ivory scrap and turning it into figurines, making something more valuable than switchboard disks. Buymanship then had two alternatives—to find a substitute or to pay the price, knowing that it was fair. I believe no substitute was found. If Mr. Bancker still buys ivory disks, he does it with a smile instead of a growl.

This purchasing agent is now on leave of absence from his corporation to execute a typical job of buymanship. Our native chestnut trees are being pretty well killed off by a foreign blight. While they are dying, and for a short time after, the timber is good for telephone and telegraph poles and other purposes. These chestnut trees belong to thousands of owners, scattered over a large area. If they all belonged to one owner, it would be a simple matter to buy them in time, get their economic value as poles and lumber, and pay the owner some money, as well as save live timber of other kinds. Getting this idea over to the thousands of folks who have small stands of dying chestnut trees is Bancker's job. Making a silk purse out of a sow's ear is part of buymanship.

Nothing delighted the old-fashioned buyer more than getting a lot of something at a price lower than anybody else. If the purchase put the seller in the soup, that was the final proof that he had made a good bargain.

But he usually bought more than was needed, and thus his work became speculation in commodities. The cost of carrying what could not be used immediately was an offset to the low price on what was put into production. For a time he had an advantage, but the next purchase evened up. Worst of all, he became a gambler instead of a buyer. A buyer can get through his day's work in six or eight hours, but twenty-five hours a day are not enough for a speculator in commodities.

Buymanship seeks to purchase a steady flow of stuff at right prices determined by a thorough study of conditions. If there is a steady flow of materials, the steady flow of the finished product from the plant for which he buys will offset trifling fluctuations in price. To assure this steady flow, the buyman pays a

great deal of attention to the factor of "service." That comes next to quality, and ahead of price. It takes into account not only the seller's ability to deliver things when they are wanted, but other factors as well.

Henry Ford says that transportation is the real essential in service, because with bad transportation it is necessary to carry reserve stocks of materials, while with good transportation the stuff would arrive on schedule, in the planned quantities and order, and go right into production. He also confesses that it was hard to overcome the temptation to speculate in bargains, and declares that speculation will break any manufacturer.

Buymanship works with the salesman, where old-fashioned buying sought to exploit him. It works with him in two ways: first, by protecting his customers and increasing their buying capacity through the stabilization of work and wages; second, by helping him meet competition.

This close relation between salesman and buyman was shown in an incident that came to my attention the other day.

Two salesmen were in rivalry for a large order of technical material. There was no emotion in the deal, there were no brands, no patents, no mysterious this-or-that which made one man's material better than the other, or gave him a basis to claim as much. Both represented big concerns, capable of making deliveries. Quality seemed to be even. But there was a shade of difference in price, and the fellow with the higher price raised a doubt about the quality of the other's material.

"Our stuff is absolutely all-wool-and-a-yard-wide," he insisted. "The other can't be, at those figures; you can't make it for any such money."

The buyer did the up-to-date thing, submitting samples of both materials to an expert. And the low price material was

honest stuff, every bit as good as the other. In the cost and quality of such stuff, the two big factors are the factory charges for making it, and the cost of the materials from which it is made.

"You feel bad about losing this order," said the buyer to the unsuccessful salesman. "But it wasn't your fault. Go back to your company and tell them that they are either tolerating too high a production cost, or the purchasing agent isn't getting materials on the best terms. You may find that it's the purchasing agent. If so, ask him why you have to carry this handicap in selling."

It is even predicted that in some lines of manufacturing the purchasing agent will be the biggest factor in the sales department, because the cost and quality

of the product can be governed to such extent by scientific buymanship that the task of selling will be relatively easy.

Buymanship proposes going even further—and is already on the way.

Prices on Long-Term Sales

ONE of the commonest bluffs, when buying is done by playing poker, is that of leading the seller to make a ruinously low price by hinting that he is to get the business over a long period.

The buyer's house uses some gadget in large quantities. It can be made cheaply if a seller gets an order that allows him to charge some of the cost of "tooling up" against further orders. If the buyer is tricky, he encourages the seller to expect further orders, and, after the latter has installed special tools or machinery to make that gadget, places the next order with another expectant seller. A good poker player might bankrupt a steady succession of sellers in this way and make a splendid showing.

But that is not buymanship. It destroys consumer purchasing power. The seller is driven to wage-cutting in his desperate efforts to save himself, and if he goes broke his employees are out of a job. If the gadgets were obtained at half the price by such trickery, they would still be dear in ultimate consequences. It is to the credit of American business that it is now beginning to look beyond its nose in such matters.

Buymanship says to the seller, "Go ahead and tool up—you will be protected on further orders." In addition, it proceeds to help him in other ways. If he runs on that gadget for a long while, his workmen become expert, and maybe the cost is reduced still further. It often happens that he discovers some new and cheaper way of making it, or his workmen bring him suggestions to that end. If this doesn't happen, and it happens that he finds his costs rising, then buymanship goes the length of sending technical experts into his plant to make studies and suggestions.

Creating Wealth by Teamwork

BUYMANSHIP has already done for him one of the four things necessary to keep wages moving up and prices moving down—it has relieved him of the burden of selling that gadget. Buymanship now tackles the three other points: the further use of automatic machinery in making his gadgets, the cutting out of wastes, and the scientific buying of the material, the equipment and the supplies he uses.

It is an old axiom that a poker game never adds to the wealth of the players, but simply changes ownership.

Buying on poker lines is exactly the same.

But buymanship proposes to create, conserve and distribute, by fitting its operations into the whole scheme of business, using everything it can find in the way of technical knowledge.

"THE art of buymanship begins by making price not the first consideration, but the third. Quality and service are considered of more importance. Not only is price made the third but the purchasing agent proposes that the seller shall be assured of a profit!"

ROTOGRAVURE



POPULATION centers are rotogravure centers. In North America there are eighty-six papers with rotogravure sections—which is just about the number of cities with populations of one hundred thousand or more. Study your concentrated markets and you will study rotogravure. Feel free to ask for information from Kimberly-Clark Company, pioneer in rotogravure development.

Photo by Stadler

Pictures **SELL** *Goods*

Photographs today have artistic merit in addition to faithful detail. Striking indeed has been the recent progress in camera art. And no less impressive has been the development of rotogravure papers by Kimberly-Clark Company—for the perfect reproduction of commercial photographic art.

Kimberly-Clark Company's rotogravure papers are used in seventy-six newspapers of North America, in many magazines, and in the booklets, catalogs and broadsides of thousands of America's business houses.

There are various weights—all of which are unusually opaque. There are both white

and india tints. Uniformity of their printing surfaces insures good tone and fine printing on both rotary and sheet fed presses.

The A B C of Rotogravure

Write for our book, "The A B C of Rotogravure." It may give you a new point of view on your advertising. It shows many interesting subjects reproduced by this modern process. It is helpful on catalogs and on magazine and newspaper advertising. Let us send the book and let us also answer specific questions about your individual printing and paper problems.

Kimberly-Clark Company

Established 1872

Neenah, Wisconsin

New York
51 Chambers Street

Chicago
208 S. La Salle Street

Los Angeles
Associated Realty Building

There's a Market of Distinction, Too

(Continued from page 21)

fact, have had a tremendous effect on modern merchandising. We have had to discard all of the old traditions to keep pace with the aspirations and demands of the women who form eighty-five per cent of our patronage. Our methods and practices and the training of our employes have been revolutionized to meet the changing problems of style and fashion.

The modern merchant is—or should be—a staunch defender of style changes. Style is the expression of a fundamental human desire to gain distinction. It has come about through education, particularly through the education of women. Style changes are not frivolous. They are made to secure a fresh and pleasing appearance. The urge to stand out a little in advance of other people is a deep one, even though man was a long time in giving it play.

Needs of Civilization

IN THE earlier stages of civilization men found that the need for food, clothing, and shelter took all their time. Once their minds had learned how to satisfy the primal needs they were conscious of a fourth urge. That was a love of distinction, of praise, of being looked up to and respected. Knowledge, an impressive abode and superior dress tended to set a man above his fellows. When man donned lace coat and sword it marked his development to the status of gentleman. Then the New World opened up, with new resources and new opportunities. In the New World man became a bigger personage than in the old, and here in the New World man will probably develop a love for beauty to an entirely new height.

Changes in fashions are not introduced by designers merely to make more business. They are made at the behest of feminine patrons who wish to avoid monotony in their apparel. Obviously, a woman cannot wear a beautiful gown indefinitely. It would cease to please her friends and begin to tire them. That would defeat the fundamental purpose of gaining distinction.

With the merchant, forecasting of fashions is not so much a guessing game as is sometimes thought. It can be done accurately by a knowledge of the past. That is why I maintain that the modern merchant himself must be educated in trends of thought and custom, past and present. The Paris couturier does not like to admit this. He prefers to have it thought that some occult talent enables him to foresee the minds of women in fashions. But the scientific work is there just the same.

A sign of the emancipation of women is the short skirt. Women wear it and will cling to it because of their determination to be free and to feel free. The change came about through a long evolution which reached its climax when American

ORGANIZATION FOR ANY PROJECT

IF you are planning a new development in any field of enterprise we are prepared to help you ORGANIZE it.

We can provide engineers to make investigations, reports or appraisals preliminary to financing.

We can provide financial plans and assist in financing.

We can provide complete designs and the construction personnel to carry out work of any type or magnitude.

PIONEERS SINCE 1889

Stone & Webster, Inc., is the oldest firm in the power industry. Its organization for design and construction is large, widely experienced and extremely flexible. It can design, purchase for and build developments of any size or kind. It has made many records for speed. The power stations built serve 20,000,000 people. In utilities work over \$100,000,000 is expended annually.

Industrial work for such companies as Ford, General Motors, American Sugar, U. S. Rubber, Victor and others is measured high in millions and for many clients has been continuous for years. Experience also includes construction of large buildings of the office type such as The Insurance Company of North

America, University of Pittsburgh, The First National Bank of Boston and others.

In hundreds of cases reports have been made covering financial requirements, physical condition, operating costs, inventories, plant extensions, earning power and other features. Properties to the value of \$6,000,000,000 have been appraised.

As executive managers, Stone & Webster handle the operation, engineering, purchasing, construction and financial requirements of sixty separate public utility and industrial companies. Two Stone & Webster Companies, one railway and one light and power, have won the Coffin Award—the highest honor in the industry for excellence of operation.

STONE & WEBSTER

INCORPORATED





THE REASON For adding Copper to Steel is to give Longer Service

Steel alloyed with copper gives maximum rust-resistance, and assures longer life and satisfaction when used for Black and Galvanized Sheets and Roofing Tin Plates. Insist upon genuine

KEYSTONE Rust-resisting Copper Steel ROOFING and Siding Products



APOLLO-KEYSTONE Galvanized Sheets possess all the excellent qualities of our well known Apollo brand, but with the added feature of a KEYSTONE rust-resisting copper steel base. These sheets last longest in service.

APOLLO-KEYSTONE Copper Steel Sheets are the highest quality sheets manufactured for roofing and siding, gutters, spouting, ventilators, and building construction purposes. Keystone Copper Steel also excels for tanks, flumes, culverts, and all similar uses. Look for the KEYSTONE.



For tin roofs for residences and public buildings, use Keystone Copper Steel Roofing Tin Plates; clean, fireproof, durable and satisfactory.

This Company is the oldest and largest manufacturer of a complete line of Black and Galvanized Sheets, Full Finished Sheets, Automobile Sheets, and Special Sheets for all known uses; also Tin and Terne Plates adapted to every requirement. Sold by leading metal merchants. Write for copy of our BETTER BUILDINGS booklet, which contains information of particular interest to you.

AMERICAN SHEET AND TIN PLATE COMPANY
General Offices: Frick Building, Pittsburgh, Pa.

AMERICAN SHEET STEEL

Products of QUALITY and Service!

When writing please mention Nation's Business

and English women received the vote. The short skirt, along with bobbed hair, gives them a sense of freedom which matches their new status, though they remain no less womanly than before.

Education, and especially the education of woman, expanding desires, and the purchasing instinct, bringing about style changes often quite rapid, have had curious results in merchandising.

So far as the great department stores are concerned, the new order has driven the wholesaler and the jobber into the background. In the old days the wholesaler had time to get in between the manufacturer and the merchant or retailer. He took the manufacturer's output promptly and then hunted for buyers. He sold on credit, and in the methods of those days of slow style-changes there was plenty of time for the process.

But not today. The customer is so fashion-conscious that the rapid flow of goods cannot be impeded without disaster or loss to the merchant.

Buyers Know What They Want

THIRTY years ago merchants were little more than distributing agents for the manufacturer. When a merchant bought goods he took the manufacturer's ideas about style and such matters. He knows better than that now. His clientele is largely made up of women who know what they want before they come into his store. The modern merchant is at great pains to anticipate the desires of his customers and to buy his stocks in line with those ideas or in anticipation of them.

In order to meet the new demands which the education and emancipation of women have largely brought about, some merchants, of whom I am one, describe and classify their merchandise under four heads: Style, Staple (or Regular), Fashion and Prestige.

The word *Style* is used to identify that artistic and enduring quality to be found in an object of beauty and usefulness; the resultant of good design, harmonious colors, good workmanship and appropriate material. *Staple* is used to designate items for which common necessity or custom has established a steady demand for a longer time than for other items in the same stock, and for which there is a regular supply to meet the demand. *Fashion* is used to designate those newer items of merchandise for which there is a present or anticipated demand, based on the changing desires of the public. *Prestige* is used to designate exceptional items which are above the average in exclusiveness, newness, rarity, style, or fashion.

These classifications are all important in modern merchandising. Useful objects, to be classed as style objects, must have beauty. Beautiful objects, to be classed as style objects, need have no other use than that of adornment. We consider that decoration or adornment is a form of usefulness. Style is in no way dependent upon demand, occasion, place, or any other external condition. The style of an object cannot be destroyed unless the object itself is destroyed.

Staple or regular merchandise is merchandise which has survived the fluctuations of fashion because it is adaptable; and, to be adaptable, it must conform to standard specifications as to material, price, color and design which serve the needs of a large number of people. Certain coats are staple because of the material; twenty-five cent handkerchiefs because of the price; navy-blue dresses because of the color, and surplice dresses for large women because of the design.

Fashion registers the shifting interest of the public in a given type of merchandise which may or may not have style value. Fashion refers to the demand for the merchandise as contrasted to style, which refers to its innate beauty and usefulness.

There are three ages or stages of fashion: first, a very new fashion, or a fashion which is very exclusive, and serving a limited demand which may or may not increase, as for example, veils and carved rubies and emeralds; second, a fashion which has been in vogue long enough to be wanted by those who follow established fashions but who will neither initiate them or follow them after they have become popular, this type having a steady demand which may be expected to increase, such as coats with self-colored fur; third, a fashion which is wanted by everyone and which can be obtained in all price ranges. This last may become a staple or may go out entirely.

Esteem Through Merchandise

PRESTIGE merchandise is that merchandise which enhances the reputation of the department in the eyes of the public, and therefore gains the esteem and good will of the public. Being above the average, it raises the general standard of the stock. It has a psychological effect upon buyer, salesman, and customer. Prestige does not apply only to the higher-priced merchandise. Exclusiveness, newness, rarity, style or fashion,—the determining qualities, are independent of the price element. These qualities, or any one of them, may make an article expensive, but the expense is only an attendant circumstance.

In so classifying his wares for the up-to-date customer, the modern merchant is very particular to enjoin upon his employees the meaning of the word *taste*. The word *taste* is used to name the ability to apply appropriately one's knowledge of style and fashion.

Merchandise, to be appropriate, must be in harmony with all surrounding objects and conditions. A handbag is in good taste only when it is suitable in color, design, workmanship, size, shape, and weight for the person carrying it, and in harmony with the whole costume and with the occasion for which it is intended.

Italian pottery, for example, will not be in good taste when used with fine damask and silver. A diamond ring of artistic cut and enduring design may not be worn in good taste with a knitted sports costume. A pair of sports shoes

containing elements of both style and fashion are not worn with taste when combined with a chiffon gown.

The modern merchant seeks, of necessity, to guide the desires of his customers. Left to himself, he would try to keep selling the same things indefinitely; for that is the way his store is "set up." But he knows that is not possible.

Women, and men too, incessantly seek style changes. The merchant must provide, anticipate, and to some extent originate. Unfortunately, he is not able to find much new style of artistic merit in this country. He must go abroad for it, and mostly to the recognized style capital of the world, Paris.

The time has not yet come for America to originate style. We are not yet in the era of artistic production. We must necessarily obtain our style inspirations from abroad. This is not difficult to explain. The creators have been doing these things in Paris for generations, almost an entire population devoted to the task of careful, beautiful design and craftsmanship. All around the French artisans and artists are the traditions and inspirations of beauty and the atmosphere of beauty; the great collections, museums and art schools.

Eventually we will produce style—beauty—in this country. One sees the stirring of it underneath.

I have referred briefly to the necessity on the part of the modern merchant of training his staff thoroughly for efficient and diplomatic contact with the customer.

Slogan Is Found Useful

WE RECOGNIZED the importance of finding a short slogan to impress our employes with the great importance of pleasing and not antagonizing our customers. We tried for some time to work out a short slogan, but we could not devise one that contained the right meat. So we finally accepted a long one which, at least, makes up in honesty for what it lacks in brevity. We now teach this:

"To succeed in making a fair current profit and adding to the good will, which, in fact, is future profits, we must please our customers. To please our customers we must give them honest, prompt, courteous, and complete service."

It would have been inconsistent and therefore not effective to ask our people to correct their own errors and retain their self-respect, on the ground that all human beings make mistakes, and in the same lesson teach them that human beings on the outside of the counter are perfect.

We have taught other and truer principles for ten years, and we believe that they are sound and effective in character building, and in increasing human efficiency in business.

Ninety-five per cent of modern merchandising is a knowledge of human nature. We merchants must get that knowledge by study. We must become scholars in a very real sense—scholars of the past as well as the present.



... over the miles and years

THE history of Hyatt Quiet Roller Bearings . . . during the last 37 years . . . records years of unprecedented savings in attention and replacement.

Millions and millions of automobile miles reflect Hyatt's unparalleled operating stamina . . . uninterrupted performance . . . unwavering satisfaction!

As in the automobile, at various strategic points in industrial, railroad and farm equipment are Hyatt Roller Bearings . . . selected because of the silent, efficient manner in which they harmonize with the objectives of engineers.

Selected, too, because of the faithfulness with which Hyatt quality preserves and protects the reputation of those products in which Hyatts are used.

HYATT ROLLER BEARING COMPANY

Newark

Detroit

Pittsburgh

Chicago

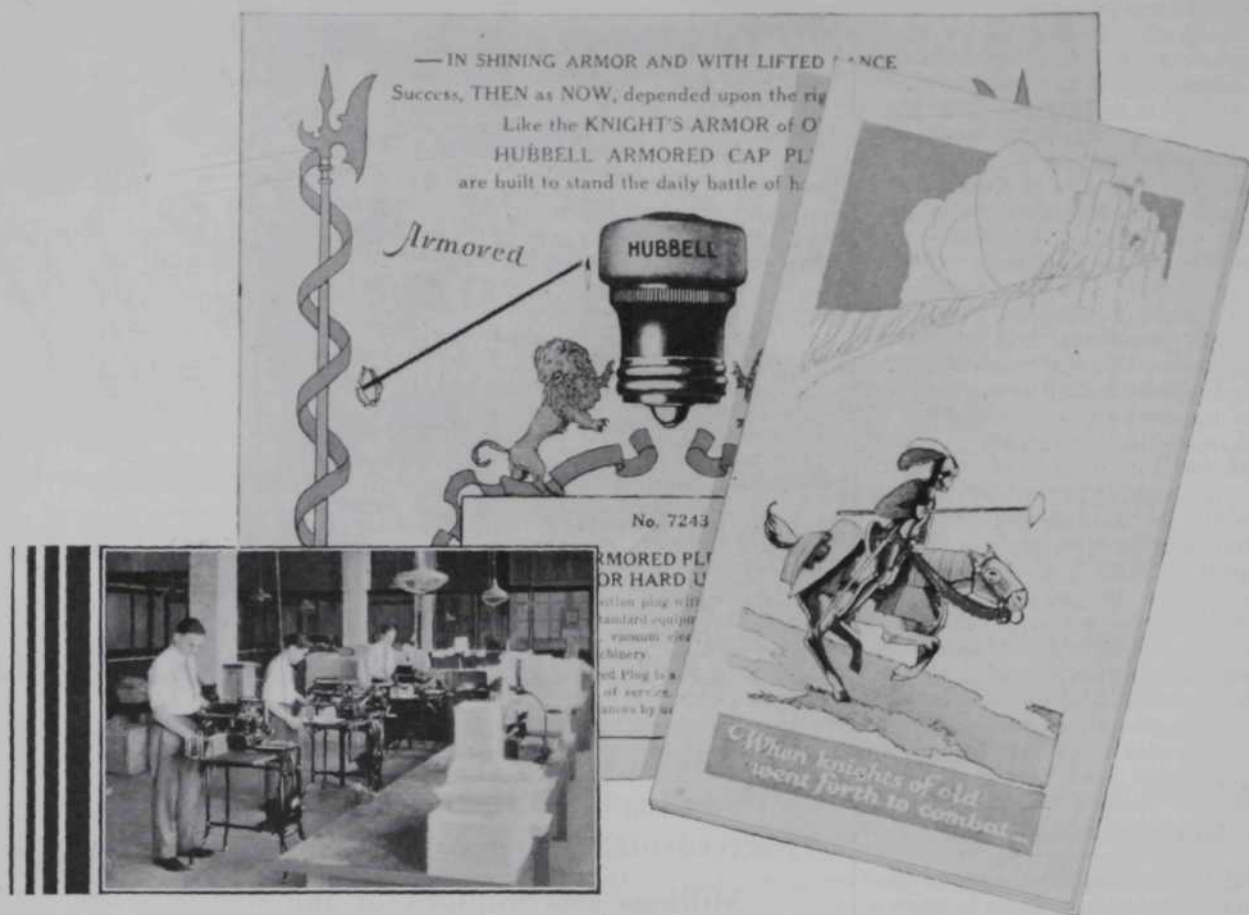
Oakland

HYATT

ROLLER BEARINGS

PRODUCT OF GENERAL MOTORS

MORE SELLING ACTIVITY



THE advertising circular shown above, which was produced by Harvey Hubbell, Inc., electrical manufacturers, Bridgeport, Connecticut, is a three-color folder, typical of a variety of pieces printed on the Multigraph. In quality of work these pieces equal any but the most expensive of printed literature. The resultant saving from the use of Multigraph equipment, as compared to outside printing, totaled \$2,620 in five months.

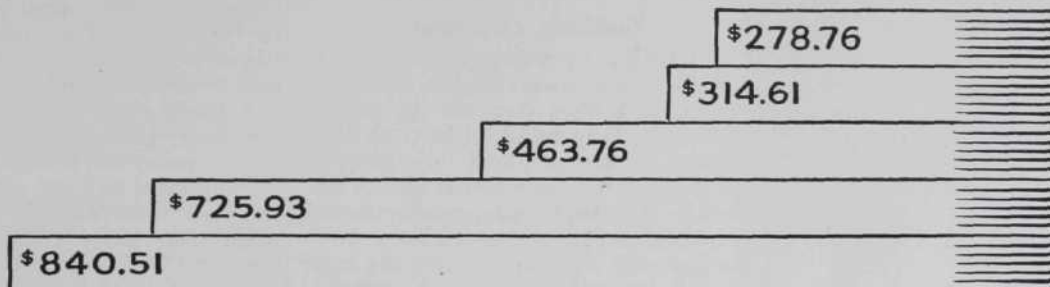
Thousands of companies using the Multigraph have proved its value both in stimulating sales and bringing about actual savings in operating costs. In your business, as in Hubbell's, there are similar possibilities for improving sales efficiency, cutting down the cost of sales promotion, and reducing the expense of routine printing.

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\$2620 *saved in five months* *for this company . .*



A letter from Harvey Hubbell, Inc., says, in part:

"Our present printing equipment consists of two No. 66 Multigraphs with Davidson Feeders, and one No. 36 with complete attachments.

"The first No. 66 is used almost exclusively for circulars of two or more colors, the second No. 66 for office and factory forms which require very careful register, and the No. 36 for envelopes, memorandums, letters, imprinting, and small index forms.

"The net saving the first month amounted to \$278.76, the second month \$314.61, the third month \$463.76, the fourth month \$725.93, the fifth month \$840.51. As production efficiency increased, the saving per month proportionately increased."

MAIL THE COUPON

"Making Profit Margins Wider" is a folder of material that gives you the basis for planning more effective sales activity and shows how you can materially cut sales and office costs. Actual records of methods used and the dollars-and-cents saving of many other companies are included. Send in the coupon today or call the nearest Multigraph office.



The American Multigraph Sales Company,
1806 East 40th Street, Cleveland, Ohio.
☐ Please send me the folder, "Making Profit Margins Wider." ☐ Please have your nearest office arrange to demonstrate the Printing Multigraph.
This is without obligation, of course.

Name.....
Business.....
Address.....

THE MULTIGRAPH

Why Do Men Fail?

(Continued from page 30)

trouble was that he could not make either banker or jobber see it. They said he might be right, but they did not know. The man across the street got the new line and made the money. Along with the new-line business a good share of the old-line business went. Collections went to the man who sold the new line, too. Natural enough. Human nature works that way. The man who most needed the money was essentially sound, but he failed because he could not get his hands on money when he most needed it.

Cultivate Customers

THERE is a psychological flareback to the exploding bankroll, too. Some men grow timid when they see the balance dwindle. They refuse to keep up their stocks. Others enshroud their premises in gloom as thick as a harbor fog. A customer is an odd, wary, temperamental bird and don't you think he isn't. If he is met with a smile, provided the smile is with him and not at him, he responds like a fireman on a brass pole. If the store is a happy, cheerful place he buys. If the proprietor lurks in a corner watching for the bad news he says he only came in to ask the time.

Other men despair when failure threatens. They lose grip on their clerks. And clerks have a strange facility for reading the minds of their employers. When he sulks and worries they sulk and worry. Instead of trying to sell goods they hang back in the hope that someone else will do the selling. The buyers' parade is viewed with the "women-and-children-first" eye worn by the one-legged man on the boat deck. Hard luck, that's all. I knew a man —

It was not his fault at all. He had a good, sound, conservative business. Used to sit on the top rail of his fortunes with a gun in his hand, too. Then fate began to act up. His wife had been spending a little more than necessary, perhaps, but she had not ordered a new operation. Did not even want it. His brother purchased a sunshiny lot covered with cocoa palms. Then he had to be helped out of the woods. A reliable stock suddenly ceased to be reliable. A swarm of small money bees began to sting him all at once. It was fate, of course.

But if he had held a stiff upper lip and kept his clerks on the job and talked turkey to his banker he would have pulled through. He did none of these things. Do you want to know what he did? You would hardly believe it?

He spent his afternoons golfing.

Incompetence accounts for the next greatest share of failures. Bradstreet reports that 34.5 per cent of the failed firms go under because the business men do not know their business. The cloak of incompetence covers a multitude of sins, of course. My golfing friend in the paragraph ahead became incompetent when he lost his nerve. It was incompetence

that ruined him, even more than the loss of money. But that is not what the assessors of business mean when they say that more than one third of the failed firms sink because they do not know enough to float. Here are a pair of incidents worth thinking over.

Herman Somebody went into a small western town and got a job sweeping out. One of those comprehensive jobs. When he was not sweeping he was running the lawn mower. When he had saved \$186 he dropped his broom and began peddling. By and by he opened a store. There were three other storekeepers in the little town and they had three hearty, inclusive and enjoyable laughs. It was such a very funny little store.

A rough store, tin roof, plank walls, dirt floor, glassless windows. Herman had no money but he had all the time in the world and he knew what the farmers and their wives wanted. He kept open twenty-four hours a day. At first he slept on the counter until some late returning customer waked him up but later on he hired clerks. Then more clerks. His store is still open twenty-four hours a day in that small western town. The three rival stores have closed.

Perhaps the unfortunate three were not incompetent. But they were not competent enough. They were unwilling to meet the competition offered by Herman. It is a frequently regrettable fact that the key of competition is sounded by the man who is willing to work hardest, sell cheapest, live nearest to the alley, keep his doors open latest. The other fellow has learned to enjoy a leisurely, kindly, agreeable life. But if he wants to keep on enjoying it he must move into some other business. For that sort of competition calls either for surrender, or more and harder competition.

Survival of the Fittest

THERE is a storekeeper I know of who runs a crossroads emporium. It is generally believed that the day of the country store is done. At this cross roads two stores had dwindled, faded and died. A third store opened and closed. The roads were concreted, which made it easier for the residents to whiz to the big city, only twelve miles away. Then the new man moved in, built a new store and began to prosper. He sells everything—calicoes, gasoline, pants, binder twine. His is not the old-fashioned country store, either, with tangles of things hanging from the rafters, but as bright and cheery and up to date as any store anywhere. It happens that he is not well liked, but he delivers the goods, when and as wanted.

His three predecessors were kindly men. But they failed. There had been a shortage of competence.

Fred Voiland of Topeka finds another form of incompetence in men who lack dignity and self respect. They do not see their neighbors inspired by humor and courage and honesty but as dim fig-



STRAIN

Strain... the bane of industry... shortener of mechanical life... enemy of vertical transportation. Absence of strain assures the longevity and easy operation of **PEELLE** freight elevator doors. Perfect counterbalance, almost frictionless design, instant response to electric button or hand, signalize **PEELLE** performance.

Surveys for Executives

Every executive interested in freight elevator door operation in its relation to interior traffic and the maintenance of production schedules should have a copy of this Survey containing unbiased reports of actual costs, data, etc. Write for A. C. Nielsen Certified Survey No. 11.

THE PEELLE COMPANY
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PEELLE Freight Elevator DOORS

["The Doorway of America's
Freight Elevator Traffic"]

When writing please mention Nation's Business

ures struggling over a miry plain. Perhaps Mr. Voiland is right. At all events his story of Pleasantville at the annual meeting of the Chamber of Commerce of the United States was inspiring:

"A one-street town," he said. "A two-bank town. An average, ordinary, plain little town."

Robbers held up the two banks. Took every penny of money. Dynamited the vaults and destroyed the books. For days the town was sunk in despair. Lethargic. No money. No evidence of debts or resources. Then the young high school teacher called a meeting:

"I call on you to trust one another," said he. "Let the banks open new sets of books in temporary quarters at the grain warehouse. Let every man walk in and tell how much money he had on deposit. How much money he owes. Let us begin again."

There was the silence of doubt. Then the Methodist preacher rose:

"My brethren," said he, "God is in this room. We have heard His voice."

The bankers sat at their desks with open blank books in front of them. Men walked in. "We had so much on deposit. Our notes will come due on such a day. We owe you so many dollars." Not a nickel in town, practically. Not enough to buy the noonday cigars. Nothing but a sudden realization that Pleasantville—that little one-street town—could be great if it would. That its citizens were finer than they had known. In two years time the town was prosperous again. The state examiners passed the banks as solvent.

Dishonest Competition

THERE is quite a stretch of country between the structural steel business and Irish linen handkerchiefs, but let us see if we cannot march it. Charles F. Abbott, executive director of the American Institute of Steel Construction, called attention the other day to the perils of dishonest competition. The battle for business, he said, sometimes reached a point at which the manufacturer lost money in order to get a customer. It is obvious that this is suicidal in the long run for both buyer and seller.

"It is primarily the seller's fault," said he. "He has taught the purchasing agent all the unfair tricks to which he is now resorting. A strong reason why failures averaged about 2,000 a month in 1927 is that there was too much price cutting. It should be as illegal for a seller to solicit business on a basis of below cost as to attempt to control prices by combination. The public interest is as seriously affected by the one as by the other."

And the Irish linen handkerchiefs?

The seller had given the buyer his first credit. But he was faced with the necessity of holding his business against stiff price-cutting. Every one knew that he had supplied the buying house with handkerchiefs for fourteen years. To lose his customer would be to lose face. He priced his handkerchiefs so low that he could never again get the price up. Other buy-

Another Monument of Indiana Limestone for Chicago's Skyline

THE choice of Indiana Limestone for Chicago's new Medinah Athletic Club now under construction just north of the Tribune Tower, is another example of the way in which this beautiful natural stone is beginning to predominate in our metropolitan centers.

Architects and building owners are becoming more and more convinced of the dollars-and-cents advantages that are to be gained from building of Indiana Limestone.

Besides the Medinah Athletic Club, two other great projects are being added this year to the already imposing array of Indiana Limestone buildings on Chicago's main thoroughfare. These are the new office building just south of the bridge, "No. 333 North Michigan," and the Willoughby



Medinah Athletic Club, Chicago
Walter W. Ahlschlager, Inc., Architects
Entire exterior to be of Indiana Limestone

Tower, further south at the corner of Madison Street.

We will gladly send you illustrated literature showing various types of Indiana Limestone buildings. Or, a booklet showing residences if you are interested in a home. Address Box 740, Service Bureau, Bedford, Indiana.

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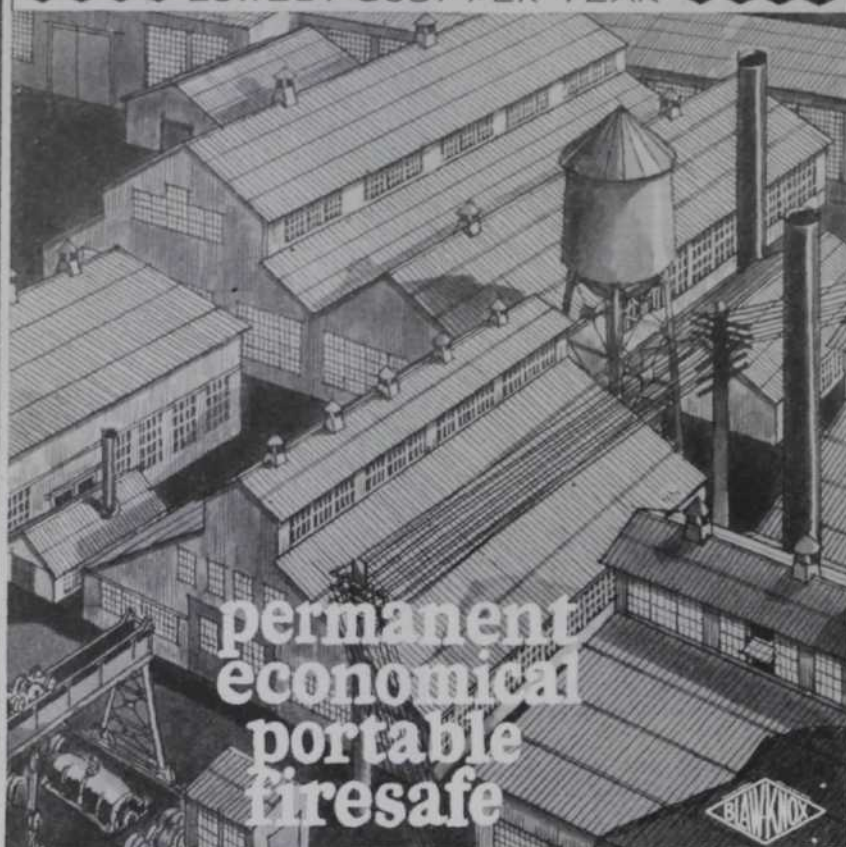
General Offices: Bedford, Indiana

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BLAW-KNOX BUILDINGS

LOWEST COST PER YEAR



AMERICAN INDUSTRY is using BLAW-KNOX Standard Buildings in increasingly large numbers.

WHY

Because (1) They are made of copper bearing galvanized steel. (2) Ingenious connections and sliding sheet joints make these buildings absolutely weather-tight. (3) BLAW-KNOX Buildings can be shipped from stock and are economical to erect. (4) They are low in first cost. (5) Every known factor contributing to long life and low maintenance is carried out in BLAW-KNOX Buildings.

A few nationally known firms using
BLAW-KNOX Standard Buildings

Penn. Railroad
N. Y. C. & H. R. R.
B. & O. R. R.
N. & W. R. R.
Standard Oil Co.
Atlantic Refining Co.
Texas Co.
Mexican Pet. Co.

Detroit Edison Co.
Bell Telephone Co.
U. G. I. Contracting Co.
Otis Elevator Co.
Prestolite Co.
Kelly Springfield Tire Co.
General Electric Co.
Hess-Bright Mfg. Co.

Fairbanks-Morse
Swift & Co.
Corn Prod. Co.
Alabama Power Co.
Clyde S. S. Co.
U. S. Government
etc.

BLAW-KNOX COMPANY

632 FARMERS BANK BUILDING
PITTSBURGH, PA.

NEW YORK
CHICAGO
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CLEVELAND
PHILADELPHIA

BUFFALO
BALTIMORE
BIRMINGHAM

ers sensed the situation and made demands. The seller actually sold himself out of business.

Inexperience is a form of incompetence, perhaps. Frank Greene, editor of *Bradstreet's Review*, declares that every male American believes himself competent to edit a newspaper, run a hotel, or make a success of a store. He does not learn better until he tries. Yet inexperience is only credited with 5.2 per cent of last year's failures. It is perhaps fair to assume that many of the unregistered failures, which never become a matter of record because they cause no loss to creditors, are blamable to lack of experience.

The man who lacks experience goes slightly off his head in the matter of sales-days. He "over-sells" himself. Because his neighbors give fiestas at which they offer slightly stale, somewhat shop-worn goods at reduced prices, or give bargains in order to bait customers into their stores, he feels he must do likewise. He he does not know how in some cases.

With lack of capital, incompetence and inexperience accounting for 74.6 per cent of all failures it is cheering to discover that only 3.6 per cent is chargeable to fraud. Now and then a little cheating is discovered, humanity being as yet an imperfect instrument.

A little mathematics shows that we have now accounted for 78.2 per cent of the failures. There are but 81.5 per cent due to faults in the individual. The 3.3 per cent difference is debited to three minor causes. Unwise speculation. Neglect of business. Personal extravagance. They shout their own stories aloud. The man who gets caught in a corner, or who spends his time in vacations that should be used under an eye-shade with the accountants, or who spends too much money—

The Worker Succeeds

WAIT. This is a story I must tell. One of the most prosperous of the sandwich shop chains began down in the oil land of the southwest. The man who had the idea had been so successful that he bought a coupe. Then a roadster. Then a sedan. Each car had eight cylinders, pretty paint and the normal amount of trouble. He spent his time driving them. The sandwich business went to pot, or would have gone to pot except that a man came along dead broke, but with a sound reputation and a bright eye. He talked to the banker who held notes on the sandwiches. Today he is the chief of the chain. The first owner audits, or something like that. He has a job, but he no longer has three cars.

Did you ever notice that every great corporation has one vice president who does not go out golfing? Presidents, vice presidents and directors die and nothing happens. If the working vice president catches cold the great corporation rattles in the wind until his cough stops.

Perhaps the moral is in that final paragraph. The man who works hard enough usually does not fail. Provided, of course, that while he works he thinks.



"THE COMET" is one of the fleet of 60 named Pennsylvania freight trains that have set remarkable records for regularity and dependability of on time arrival

- - that blazes a trail to new records

MOST comets have a way of appearing, creating a "nine days' wonder," and then jaunting off into space for seventy years or so before they again flash across the horizon of man.

But "The Comet" of the Pennsylvania is one that can be harnessed and made to turn the wheels of industry. It is a big freight train that carries important cargoes to St. Louis and via connecting lines to the great Southwest. Therefore, it is a very useful member of the Pennsylvania's family of freight trains.

Every evening "The Comet" leaves the Atlantic Seaboard with cargoes from many Eastern markets, and rolls toward

the big city on the Mississippi. In its charge is important freight of every description, goods that must reach their destinations on time. And this train has acquired the habit of being regularly on schedule.

Shippers:

Are you giving the man who routes your freight the time and opportunity to effect the economies, contribute to the new business strategy which in many industries is considered the most important development since Mass Production?

The Industrial Traffic Managers of many organizations have been instrumental in the speeding up of turnover—in the reduction of inventories—and in the opening up of new selling territories to which improved freight transportation has given them access.

Cutting Down Inventories— Building Profits

Greatly increased efficiency in freight transportation has enabled manufacturers, jobbers and retailers in the Western territory to cut down inventories and build up profits. And in the task of keeping Eastern shipments flowing steadily into the markets of the West "The Comet" and other dependable Pennsylvania freights are playing an important part.

In addition to handling the St. Louis traffic "The Comet" hauls freight bound for Indianapolis and vicinity. Consignees in that territory, as well as in St. Louis, have found it a reliable carrier—one that maintains its schedule regularly and dependably month after month.

Carries more passengers, hauls more freight than any other railroad in America

PENNSYLVANIA RAILROAD



Winged Messengers *avoid verbal misunderstandings*

BANKS have adopted Lamson Pneumatic Message Carriers.

Safety is the first, last and always predominating requisite of a bank. And safety can only be had when convenience to records will permit easy reference to them during the pressure of business.

The teller's Lamson Tube outlet is on the counter unseen by the customer. It is but the work of a moment to mark a memo form and speed it with the check through a Lamson Tube to the ledger clerk. The report is back in a moment. There is a written record of the question and the answer, always instantly available thereafter.

Similarly other departments

LAMSON Serves
Public Utilities
Manufacturers
Mail Order Houses
Railroad Terminals
Retail stores
Insurance Companies
Steel Mills
Banks
General Offices
Automobile Agencies
Newspapers and
Publishers
Wholesalers
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Hospitals
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And Will Serve You

are inter-connected but with larger Lamson Tubes. There is no hustle and bustle. Credit information, executive orders, memoranda and even dictaphone records are constantly transported. Notes, bonds and other securities remain in locked vaults until requisitions arrive via Lamson Pneumatic Tubes. They are then delivered in locked Lamson Carriers . . . they are always protected.

Lamson Pneumatic Tubes are used in every type of business that requires communication between departments. They are to the written message what the telephone is to the spoken word.

Let us send you our booklet telling what Winged Messengers will do for your business.

THE LAMSON COMPANY
3000 James Street, Syracuse, New York

LAMSON PNEUMATIC TUBES

Coordinate the Departmental Interchange
of Papers, Files and Packets

When writing to THE LAMSON COMPANY please mention Nation's Business

Organized Business in Action

(Continued from page 38)

came from the sole source of authority in the National Chamber—you members."

"That's all very good," said my friend, "but when you had your orders what did you do about them?"

"Let's take the Mississippi flood question as an example," I said, "and follow through."

"A group of able business men, named to study this question, headed by President Pierson of the Chamber, visited the flooded country. They went with open minds. They had no preconceived notions to put over, or pet ideas to bolster up. They went to see and to learn. They came back to Washington and wrote a concise but comprehensive statement as to facts and made definite recommendations as to policies they thought necessary in any real flood prevention program."

"These facts and these ideas were then sent out to you members. The question was not what does this committee think, but what does American business think in the light of the facts these able business men have found and the ideas they advance?"

"By a large vote you business men of the country told us here in Washington that you endorsed these ideas."

"Yes, I remember that flood control referendum," said my friend.

Presenting Business' Case

AND BEFORE I could get in another word, my Jayhawker had beaten me to it and wanted to know:

"When you found out what we thought about this flood business, what did you do?"

"Laid it before the members of the committees of Congress whose business it was to write flood legislation," I answered. "And it was presented solely on its merits as your opinion—the opinion of representative American business—from Maine to California, and all its many phases—from steel to suspenders."

"Understand, there was no attempt to tell Congress what to do; nor any suggestion that Congress shouldn't get and fully weigh other opinions and views. Claiming the right of American business to present its views on such questions, the Chamber recognizes the right of other elements in the community to be heard. In this as in every activity the Chamber's yardstick is—if it isn't for the country's good it isn't for the good of business."

"There was no lobbying. No 'backstairs' influence. Your views were presented fairly and openly. The opinion of American business upon such a question is its own—and a sufficient—make-weight."

"How'd it all come out?" was the next question. For Kansas is close to Missouri and Kansans, too, like to be shown.

"Well, the legislation passed by Congress and signed by the President of the United States is in entire harmony with

the views of business as the Chamber, acting under its instructions, voiced them.

"Furthermore, the Chamber successfully undertook to obtain an emergency credit for the restoration of the agriculture and business of the flood-swept country. As a result an emergency credit of \$1,750,000 was subscribed and made available."

"That's batting around a thousand, so far," cheered my friend, "but how'd we finally come out on our tax proposition. I remember there was a lot of newspaper talk—and some of it not so good—about that."

"Glad you asked that," I said.

"The bill as passed went part way with you in cutting the corporation tax; most of the way in abating the excise or 'nuisance taxes' and rejected outright the idea of cutting out the estate and inheritance taxes.

"In this the procedure was just as it was in the case of flood control. You members were asked what you wanted us to stand for, and when you'd told us, we stood pat. Incidentally, there were some other organizations that came out early and strong for tax reduction that took to the tall timber in face of the opposition that was raised, but that's all ancient history, now."

"Then there was opposition," said my friend, quick as are all true Kansans to sense a row.

"Plenty of it," said I. "You see the position of the Chamber was not entirely in harmony with the position of the Government. Just a difference in figures, but there was considerable reconciling to be done.

"President Pierson, Judge Parker and a goodly portion of the staff camped on that job day and night and Sundays. Much was accomplished, but not all the differences were reconciled. Still, when it was all over, the Chamber had the satisfaction of knowing it had done a mighty good job in getting the country's business point of view on taxation before the Government in unmistakable form. If the Government was unable to agree with this point of view, well that is another story. In any event, we'll know later on who was right and who wrong."

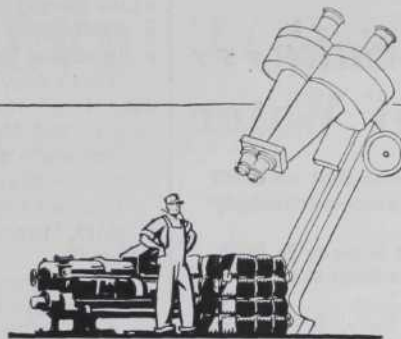
Merchant Marine Situation

"YOU said something about ships, a bit ago," said my friend, holding me strictly to the accounting. "How'd that pan out?"

"From the viewpoint of what our bosses—you members—told us to stand for; about sixty-four, I should say. Sixty your way, forty the other. The legislation as passed isn't all that the friends of a privately owned and operated American flag shipping establishment could desire, but it put a stop for the time anyway, to the drive for continued government ownership and operation. It recognizes the principle of private contract shipping services, it liberalizes overseas mail contracts and offers greater inducements for private ship building and operation. It is undoubtedly a step toward getting Uncle Sam out of business as a merchant

Here, Mr. Secretary of Commerce, is the answer of one industry

*No. 6 of a series inspired by the report of Secretary
Hoover's Committee on Elimination of Waste*



LOOKING OVER vs. OVERLOOKING

IT is the broad conception of industrial responsibility that overlooks no small detail of manufacture.

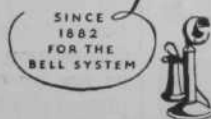
Is a ten-thousandth of an inch in the thickness of a mica condenser sheet important? Does a time-interval of a thousandth of a second matter? A thousandth of an ampere of electric current?

That Western Electric thinks so is manifested in its rigid inspections. Defects are detected at the source. Waste is confined to the stage of manufacture in which the defect occurs; and its cause soon discovered and removed.

Not only that. The principal user of Western Electric telephone apparatus—the Bell system—is safeguarded against cumulative operating difficulties. With the ever-growing complexity of the nation's telephoning machinery, the tendency of mechanical errors to multiply must be compensated for by greater accuracy in manufacture—and, in terms of inspection, by ever-increasing vigilance.

Western Electric

Purchasers. Manufacturers. Distributors





For Health's Sake... Plenty of Water

AUTHORITIES all agree that we don't drink enough water—particularly in our offices.

Nature's simplest remedy is probably the best way to keep the system in good condition.

But we're all so busy. It takes so much time to run to the water cooler.

One of these attractive "Thermos" Executive Desk Water Sets on your desk will encourage you to drink the water your system needs. Its convenient presence will be a constant reminder to you.

And you'll always find the water it contains fresh and cool; for "Thermos" keeps its contents cold for 72 hours or longer.

Be sure to ask for "Thermos." There is only one "Thermos"—and you cannot be sure of getting perfect "Thermos" service unless you insist on getting a "Thermos" set.

The handsome "Thermos" Bakelite Desk Water Set (illustrated above) in natural wood finishes to match your office furniture (Mahogany, Walnut or Maple), quart capacity, complete with tray and two glasses,.....\$10.00

*Other Desk Water Sets from \$11.00 to \$26.00
Canadian Prices on Application*

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THERMOS
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VACUUM BOTTLES

**Remember, only Genuine Thermos
can give Thermos Service**

When writing please mention Nation's Business

shipper, an experiment in which his success, to say the least, hasn't been anything to cheer over."

"I'm interested, personally," said my querist, "in how the postal rates came out. In our business we used the mails a lot in direct mail solicitation but the rates that were ordered in a few years ago were simply awful. You know those costs have to be figured down to fractions of cents."

"Carrying out your instruction," my friend was informed, "your Chamber made a showing of your views on that question, too. The bill enacted agrees with your views, practically speaking, entirely. The new rates on the whole, are calculated to increase postal revenues by bringing back into the mails that business which the old rates drove out, by making it possible for you to use the mails at a reduced cost to you."

"That's fine," said the Kansan, "that's what I call real teamwork between law makers and those who have to use the government's mail services, a good fifty-fifty proposition."

"Care for some more?" I asked.

"Sure," urged my friend, "this is interesting."

"By no means all of the Chamber's activities take it before the law-makers," he was informed. "There's its work among trade organizations to help set up standards of practice that will enable business to win complete public confidence by deserving it—real self-government of business."

Better Trade Practices

"YOU instructed the Chamber to undertake this work, and wisely, because it's as sure as sunrise that if business doesn't do its own regulating, the government will, and there's no telling where government will stop. During the past year the Chamber has aided and counselled many trade groups, helping them to arrange conferences with the Federal Trade Commission toward what's called trade practice conferences. These enable an industry to wipe out its questionable and bad trade uses and practices by agreement. That must be even more widely practiced if business is to do this task and do it thoroughly and disarm the muck-raker and business baiter."

"Then, all through the year the Chamber's service departments gave valuable assistance to Chamber members, by keeping them informed as to current business thought and opinion in every phase of industrial and commercial life and activity—domestic and foreign distribution, insurance, finance, manufacturing, transportation and communication, natural resource production and conservation, civic relations and agriculture."

"The value of this service has been brought into high relief during the past year with the business scenario changing almost from day to day with breath-taking rapidity. Amid such changes a national clearing house of business thought and opinion is of inestimable value, and its use by our members, last year, has proved this beyond question."

"The year saw the largest percentage

gain in Chamber membership in its history. It witnessed, also, an increasing public understanding of the Chamber as the forum in which the nation's business declares its opinion, and a most gratifying appreciation on the part of the members that they are the all-important factor in the Chamber."

"The conference in West Baden, Indiana, last October, between the National Councillors of the Chamber and its officers, board, committeemen and staff brought about a clearer idea of the Chamber's function and a closer and more responsive contact between the Chamber and its members. The National Councilor, as the representative of the member organization in the national organization, is, in a very real sense, a key man. This past year has seen a gratifying activity on the part of these key men. This has been shown in increased referenda voting. The voting on the two referenda last year was the largest in Chamber history."

Geographic Representation

"WIDELY representative, both of the activities and the geography of American business.' That is often said to describe the National Chamber. To emphasize this geographic representation last year's western divisional conference of the National Chamber was held in Hawaii. The meeting measurably promoted a feeling of real unity between our Pacific territories and the mainland—a feeling of mutual interest."

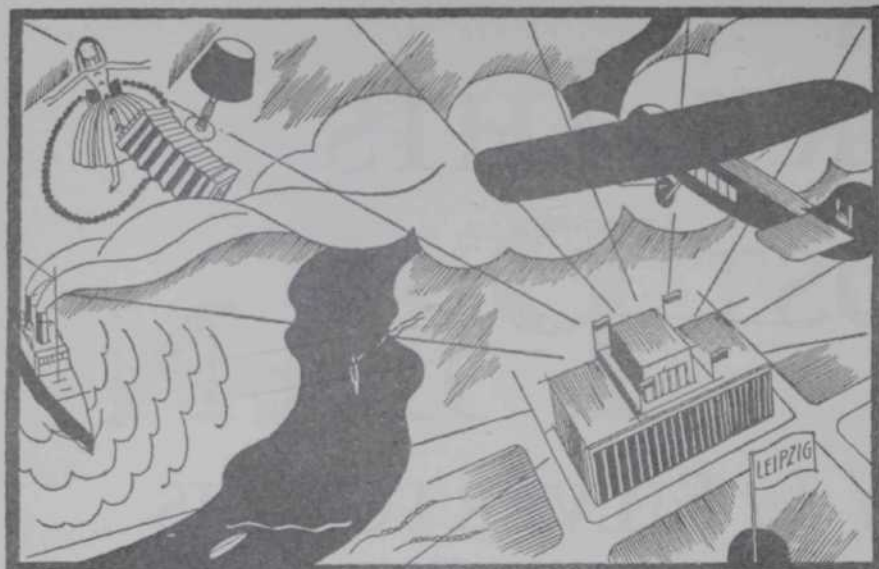
"Then came May, 1928, and the wind up of the year's activities. Again the delegate representatives of the members came to Washington."

"Teamwork was the keynote. The retiring Chairman of the Board, Judge Edwin B. Parker, pictured it as a teamwork that, to win real prosperity for America and American business, must assert the integrity of business. Dr. Alberto Pirelli, of Italy, President of the International Chamber of Commerce, interpreted it as a teamwork of nations for international amity and prosperity."

"The delegates mapped out a new program for the Chamber—a program of real teamwork for real prosperity."

There was enthusiastic approval of the year's work in supporting policies respecting legislation, in giving service and in supplying information, and there was general regret when it became known that the Chamber's President, Mr. Lewis E. Pierson of New York, because of the increasing pressure of personal business affairs and in spite of the earnest insistence of the Directors, had declined re-election for another term. With Mr. Pierson self-eliminated, the Chamber, as has been its custom since its foundation, looked about for a man—an able administrator. No thought was or ever has been given to the geography of that man, or to his personal business affairs."

"While Mr. Pierson's decision was accepted with regret, there was equal gratification that Mr. William Butterworth, long a faithful, enthusiastic and effective worker in the interests of American business would take on the duty and carry on."



MAKE MONEY in Europe this Summer

Come to the Leipzig Trade Fair, August 26

Last Spring, 1770 American buyers attended Europe's largest trade exposition at Leipzig. They found new ideas, and new business-building merchandise. They made money. They made friends. They had a good time.

More of them are coming for the Fall showing, from August 26th to September 1st. They will find a greater list of profitable purchases than ever before. They will see the wares of over 10,000 exhibitors from 21 countries.

Plan now to come. Let us help you make your trip abroad more profitable and pleasurable. Let us tell you about special travel rates, air transportation, free visa, and special accommodations. Write us right away. Leipzig Trade Fair, Inc., 11 West 42nd St., New York.



LEIPZIG TRADE FAIR

For 700 Years—The Market Place of Europe

Butterworth—Crusader for Cooperation

(Continued from page 38)

simply shirking his responsibility and opportunity. To me there are two kinds of men who are worse than useless in a community. One is the kind of fellow who holds back from any civic movement and lets somebody else do the hard work from which he will reap the benefit, and the other kind is the fellow who always wants to know first what he can get out of it. I believe in the doctrine that a man gets out of life just about what he is willing to put into it, and the more liberal he is the bigger are his returns."

Gives Time and Courtesy

MR. BUTTERWORTH did not say all of this in one uninterrupted flow of talk. A dozen times men from all parts of the country came up to shake hands with him and to ask his opinion on some matter of deep concern to them or to the industries they represented. There seemed to be a general impression among the delegates to the meeting that there was useful counsel in that quiet-spoken man. He had a way of instantly and fully giving them his time and his courtesy, and then turning back, in his calm, unhurried way without break or jar, to the general theme of his talk with me.

Subsequently I had other pleasant opportunities of chatting with him—about agriculture, in which he is, naturally, deeply interested; about his friendship and admiration for Frank O. Lowden of Illinois and for Secretary Hoover. Mr. Lowden he has known intimately for many years out in the field of their Illinois activities, and in more recent years he has had opportunities to measure Mr. Hoover. When the Secretary of Commerce went down to the Mississippi flooded lands to appraise the devastation and to estimate the needs of the people, Mr. Butterworth was one of the party.

Among others for whom he expressed definite admiration during the sessions of the Chamber were Judge Edwin B. Parker, whose address on "Teamwork for Prosperity," with its ringing denunciation of pirates in business so stirred the Chamber and the country; and Roy Johnson, "Master Farmer," of Casselton, N. D.

"I feel like directing special attention to Johnson's talk on making agriculture prosperous," said Mr. Butterworth, as we walked through Lafayette Park, across from the White House, one afternoon. "There was a sane and meaty survey of real conditions among the farmers."

Perhaps the most concentrated impression this writer obtained about Mr. Butterworth had to do with his palpable detestation of pettiness and meanness, and his resoluteness for economic solidarity—all for one and one for all. One thing seems to stand out—that a thinker and a fighter is now at the head of our greatest organization of business men. There is something of the spirit of a crusader behind those deep-set blue eyes.

The Map of the Nation's Business

(Continued from page 23)

the crop outlook at the end of May shows a probable winter wheat crop of 512,000,000 bushels against an estimate of 486,000,000 bushels at the end of April and a harvest last year of 552,000,000 bushels. Spring wheat has not had enough moisture in the Northwest, but the promise is for 252,000,000 bushels as against 319,000,000 harvested last year, a total of winter and spring wheat being here seen of 765,000,000 bushels against 871,000,000 bushels harvested in 1927, a decrease of 106,000,000 bushels.

These estimates are, of course, still largely tentative, but Kansas promises 167,000,000 bushels as against 111,000,000 bushels last year, this going far to offset the loss from last year of probably 60,000,000 bushels in Ohio, Indiana and Illinois.

Groceries in Packages

DEMAND for package goods and labeled foods has lifted the face of the old-time grocery. The thick lines of barrels, baskets, and boxes of foods that once invited the customer to make free with their contents are going or gone. More and more goods are sold in containers. To Carl W. Denman, editor of the *Progressive Grocer*, the modern grocery "looks more like a shoe store." A model which he exhibits has only two counters and a few shelves for package goods.

Because the public is becoming more discriminating in buying foods, he sees the grocery business made more attractive. By his measure, the national food budget has increased from fourteen to twenty-two billions of dollars in the last ten years. And independent grocers have increased 52 per cent in the same period, despite the growth of chain stores—a gain he emphasizes with saying that it has been made in cities where the average population increase has been only 48 per cent. After counting stores and noses, he reports one grocery for every 319 people.

These grocers are pushing the American table to higher and higher levels of luxurious eating. Who remembers when an orange was a bribe for good behavior? Or those good old days when an orange was a Christmas gift? Not only oranges, but expensive packaged dates from Assyria, caviar from Russia, extra fine sardines from Norway find their way as readily to the tables of laborers, farmers, shoe clerks and cigar salesmen as to the tables of industrial magnates and epicures.

It is all well enough for the doctor and the dietician to tell the world what to eat. But after all, it is the grocer who always makes good with the good provider.—R. C. W.



The Dad, Son & Daughter Departments

tell the Purchasing Agent their wants

SON gives gratuitous advice on Sister's hats. Sister has her none too private opinion of Son's neckties. While Dad's ideas range from toilet-soaps to stuffing turkeys.

Mother, as family purchasing agent, listens gravely to all opinions. For it is from these discussions that she learns the likes and dislikes, the wants and desires of her family. And to be honored by a place on her shopping list, a product must earn a majority of the family's votes.

That is why leading advertisers now try to reach every member of the family. In pursuit of that doctrine many advertisers and independent organizations have recently made investigations to learn what publications lead in all-family appeal. In every investigation of which we have record these facts were disclosed.

AMONG women, The American Magazine is second or third choice (in spite of strictly women's magazines). Among men The American Magazine is first or second choice (in spite of strictly men's magazines).

Among young people The American Magazine is first or second choice (in spite of strictly youthful magazines).

Could proof be stronger that The American Magazine is overwhelmingly first with all the family? Or could proof be stronger of the economy of using The American Magazine with its family circulation of 2,200,000?

Do you reach the "Two or More"

Of 952 families questioned, 82% stated that two or more members influenced the purchase of furniture. 67% stated that two or more members influenced the purchase of hosiery. 87% stated that two or more members influenced the purchase of ginger ale.

Obviously, then, the successful advertiser must reach two or more members of the family. And it is equally obvious that economy lies in using those publications which are read by two or more members. By every test, The American is the most effective of all magazines in that respect. Investigations conducted recently by 5 leading universities prove The American Magazine overwhelmingly first in its combined reading by all the family.

The Crowell Publishing Company, New York City

Where Work is Done A-wheel

Business cars are a tried tool in railroading

LUCIUS JUNIUS COLUMELLA was not an efficiency expert, but he observed to good purpose that "where the eye of the master has been most continually, there the fruit will ripen profusely." Perhaps he was thinking that Roman melons were cut only where there had been supervision and inspection of the growing. Certainly his judgment has present point in the management of great railway properties, for the president who would successfully direct so complicated an enterprise must "hear beyond the range of sound" and "see beyond the range of sight."

This required enlargement of official attention to company matters has been ingeniously and effectively satisfied with "business cars"—mobile workshops designed to provide a first-hand knowledge of conditions on the line and throughout the tributary passenger and freight territory.

The earliest of these business cars were not specifically designed for office use. In fact, they differed only slightly from the day coaches of their time. Experience has developed a more useful arrangement of space and equipment.

Designs vary considerably, yet they are in substantial agreement in the inclusion of an observation room at the rear for viewing the track and roadbed; a kitchen and a dining room at the front; and sleeping accommodations, and an office compartment between the end rooms. Extra sleeping accommodations for emergency use are provided in the observation and dining spaces.

A measure of the use of these cars is



Mail is received and handled en route, and officers and secretaries work early and late in getting off reports of inspections and conferences

available in the records of the Southern Pacific. They show that superintendents are out on the line from 15 to 20 days a month, and that assistant general managers are on the road nearly as much. Throughout the inspection tours office routine goes on as usual. When general officers are on tour mail is received daily from the home office, and as letters and telegrams are likely to arrive at all hours, the working days not infrequently extend from 7 in the morning until late at night. President Shoup's working day begins usually at 8 and extends to midnight on occasion. It is the experience of secretaries attached to business cars that work on the road is more strenuous than in the home office.

In Touch with Organization

BUT it is in giving executives the means to keep in constant touch with their organizations that business cars contribute their most valuable service. A railroad with 5,000 miles of line may do business with 500 communities scattered 10 miles apart over the entire route. Division and local officers are familiar with conditions in their immediate vicinity, of course,

but to call them into the central offices for frequent conferences would impair the operation of the road and defeat the purpose of their presence. And it is just as clear that the ordinary accommodations of travel would not suffice for the irregular schedule of conferences and inspections along the route. Business cars have solved the problem.

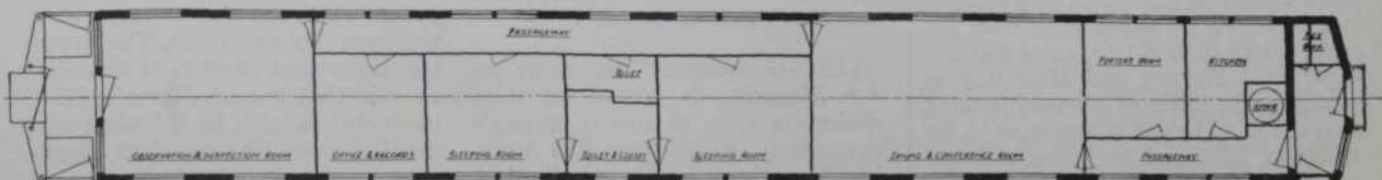
To a railway officer charged with the responsibility of supervising operations over an extensive territory an office on wheels is a continual necessity.

Like most tools of business, the office car is matter-of-fact in appearance. It is built primarily for utility. Its fittings are selected for their wearing qualities. Desks, typewriter stands, correspondence files, stationery cabinets, and engineering appurtenances reveal at once the workaday character of these cars.

When plainness is so apparent, the testimony of Pullman porters in that behalf might seem superfluous. Yet the very expertness of their judgment argues its admissibility. This verdict was rendered when President Budd of the Great Northern was traveling in his car from Buffalo to Detroit, a route frequently covered by Henry Ford's car.

The curious porters, one by one, found opportunity to visit Mr. Budd's car. When they got together to compare notes, their opinions were brought to an effective focus by one of the group.

"Huh," he said, "dat man ain't got no cah at all. You could lose his'n in Mistah Fohd's cah. No mahogany, no beds, no style. Mistah Fohd's suah is de real cah."—R. C. W.

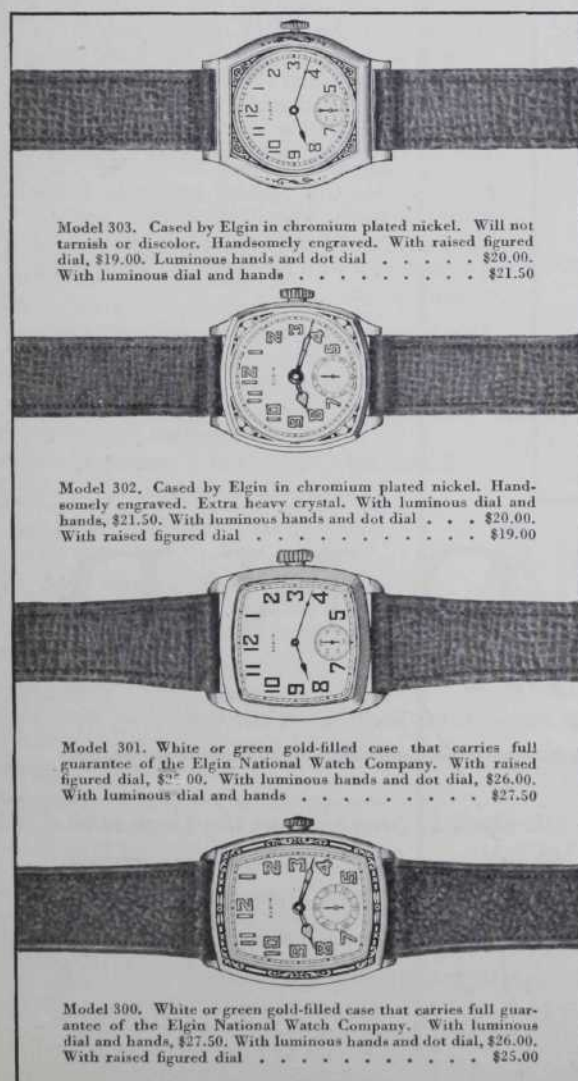


Practicality is the keynote of design. Space is sparingly used for sleeping accommodations, and for the facilities necessary to the preparation and service of meals. The layout reveals the primary concern to provide a mobile office for company executives. All the equipment relates directly to the vital business of inspecting the company's property, the determination of local viewpoints through conferences, and the consideration of operating practices and problems

A SMALLER, SMARTER . . . AND HUSKIER . . . ELGIN

THE ^{NEW} ELGIN *Legionnaire*

\$19⁰⁰
to
\$27⁵⁰



Model 303. Cased by Elgin in chromium plated nickel. Will not tarnish or discolor. Handsomely engraved. With raised figured dial, \$19.00. Luminous hands and dot dial . . . \$20.00. With luminous dial and hands . . . \$21.50

Model 302. Cased by Elgin in chromium plated nickel. Handsomely engraved. Extra heavy crystal. With luminous dial and hands, \$21.50. With luminous hands and dot dial . . . \$20.00. With raised figured dial . . . \$19.00

Model 301. White or green gold-filled case that carries full guarantee of the Elgin National Watch Company. With raised figured dial, \$27.00. With luminous hands and dot dial, \$26.00. With luminous dial and hands . . . \$27.50

Model 300. White or green gold-filled case that carries full guarantee of the Elgin National Watch Company. With luminous dial and hands, \$27.50. With luminous hands and dot dial, \$26.00. With raised figured dial . . . \$25.00

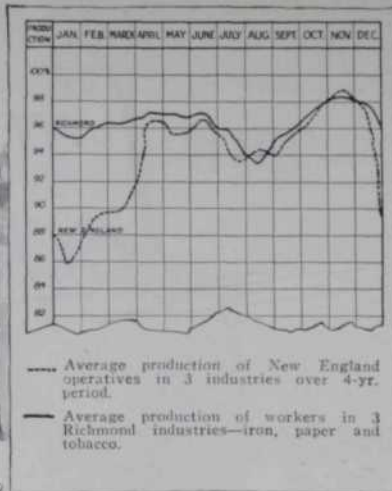
THE LEGIONNAIRE volunteers . . . for active service.

Ready to do 36 holes of golf with you and never miss a tick. Ready to take the shock of a muskie's strike . . . and like it. But so smart and modern in design it correctly companions your white starched cuff when you're in dinner clothes.

Hardly larger than a quarter, this new ELGIN. All the bulk stripped away. Slender, compact, sinewy as a fast roadster or a fighting plane.

And like a four-piece golf suit, it doubles admirably in business and sports. In camp or conference, drawing room or trout stream, your LEGIONNAIRE blends with its background like the gentleman's watch that it is.

RAISED numerals flash the time cleanly and clearly . . . in darkness, too, if you wish the luminous dial. And if you do forget to wind it you'll still make your train . . . it runs 40 to 42 hours. Four models to choose from at \$19 to \$27.50. ELGIN efficiency and great volume of business have brought these remarkable prices.



Water in the James River Basin is - Deep - Fresh - Pure

Where else can you find a combination of navigable water—fresh water and water that is chemically pure?

Your products, if made in Richmond's industrial area, can go down to the sea in ships.

The water of the James River which floats these ships is *fresh* and *chemically pure*.

Winter and summer without interruption shipping flourishes on the most historic stream in America.

The average year-round temperature in Richmond is 58.3 degrees. An ideal climate for industrial activity as well as for water transportation. No ice. No severe storms.

Two new industries which will use the James River for distribution and for the manufacture of their products now are building in this basin. Their plants will be valued at more than \$100,000,000.

Some of the nationally-known industries now in the James River Basin:

American Locomotive Co.
 The Tredegar Co.
 Liggett & Myers Tobacco Co.
 Larus & Brother Co. Inc.
 American Tobacco Co. Inc.
 P. Lorillard Company
 The C. F. Sauer Company
 Valentine's Meat Juice Co.
 Maxwell House Coffee
 Pin Money Pickles
 Albemarle Paper Mfg. Co. Inc.
 Standard Paper Mfg. Co.
 Virginia-Carolina Chemical Corp.
 Johnson Publishing Co.

By coming they have used foresight. Traffic in northern industrial areas is becoming more and more congested. The terminal and drayage costs in the North usually amount to more than the full line haul rate from Richmond. Here there are no transportation worries. Here the manufacturer is overnight from the population centers of the North and the richest industrial parts of the South.

Here are abundant, reliable labor; low living costs; favorable freight rates; low taxes on buildings, capital and machinery; and a kindly community with an inspiring atmosphere of permanence.

This is merely the preface—write, if interested, for the whole story. We will hold your correspondence in strict confidence.

Industrial Department
 Richmond Chamber of Commerce,
 Box 100, Richmond, Va.

RICHMOND VIRGINIA

As far South as you *need* come for labor and Southern Distribution; as far South as you *can* come for quick transportation North by rail and water.



Blue waters of the Chesapeake breaking on the clean white sands of Buckroe Beach... Gloucester with its armada of oyster tongs, crabbers and fishing craft where Richmonders have established a summer colony. Tappahannock, Urbanna and Irvington overlooking the broad Rappahannock, all within one to three hours of Richmond by motor.

Write for a free copy of "Joys of Living in Richmond."

The Chain Store Question

(Continued from page 54)

if we are forced to cease operations. I am across the street from a large chain store, and I have women come in our store to have checks cashed, because they will not take checks at the big chain stores. They want cash and they get it, and further, that cash is sent out of our city within 36 hours. Our banks lose money on every chain store account. Why? Simply because they have no bank balance like other retailers. In Iowa the balance is not so large, but we do have a little all the time. We must leave it here, we have no place to send it, only when we buy merchandise.

FRANK L. MARTIN, whose store is in Hume, Missouri, tells us:

It is my opinion that in a few years unless Congress does something about it, towns from 1,500 to 3,000 population will have only three stores in them. The Great Atlantic and Pacific Grocery system, the Penney stores and Montgomery Ward will have the business and then the schools and the churches will suffer from them.

I was visiting my brother doctor in Texas and they had a 5 and 10 cent store there and they informed me that they bought a draft each day for the receipts and mailed them to headquarters. While there J. C. Penney store was getting ready to open. That is the way it is everywhere.

A LETTER from H. L. Snyder, of the H. L. Snyder Company of Dormont, Pennsylvania, says:

I was very much interested in extracts written by "Chain Store Men" and having had 27 years in grocery business with the past ten years in competition with chain stores, I would like very much to see the other side taken up by business men who are qualified to write on subjects.

This, we hope to do and meanwhile Mr. Snyder's letterhead suggests a question. What constitutes a chain, for he himself has two stores. He has evidently seen that there are advantages in increasing his buying power and sharing his distribution expenses.

MR. C. H. FORREST of The Big Department Store, Frankfort, Indiana, makes this plea:

Now don't take the chain store executive's word for what they say, just go out and do a little shopping for yourself, providing they will allow you to do it.

CHAMBERS of Commerce are acutely interested in the chain question. The Secretary of the Rome, Georgia, Chamber of Commerce, has this to say:

I have been interested in the articles submitted by managers of chain stores in regard to their relation to the local community.

I want to state that I believe that these organizations have been more in sympathy with us than the average city in which they are located, they have all maintained membership with us and have given us some support, but have been disappointed in that they bind their managers to their jobs so closely they are not permitted to take the interest in civic affairs that they (the managers) would like.

How Do You Buy Automobile Insurance

SERVICE is essential to good automobile insurance . . . it is an intangible factor, but when 96% of our policyholders renew each year, we know the American Mutual is giving very unusual service.

For instance, the American Mutual helps policyholders to prevent accidents . . . our engineers studied thousands of cases from which they developed systems of safety for truck operation.

We shall be glad to send you "The Man at the Wheel" . . . a booklet containing the principles of safe driving which should help you and your driver . . . just fill out the coupon below.

Workmen's
Compensation



Automobile
Insurance

AMERICAN MUTUAL

Send this coupon for "The Man at the Wheel"

To American Mutual Liability Insurance Co.
142 Berkeley Street, Boston

Please send me your illustrated booklet "The Man at the Wheel".

Make of car _____ Year _____ Model _____

My Insurance Expires _____

Name _____

Address _____

Do you sell on the Partial Payment Plan

IF you do, call a Remington Rand Man and compare your present collection plan with that of companies equipped with Remington Rand Systems. Organizations selling nationally collect from a million accounts monthly, and hundreds of others of all sizes collect regularly and economically with the assistance of Remington Rand methods and equipment.

This combination of leaders of the office equipment industry is able to present to companies selling on the partial payment plan many methods of making collections at the minimum of expense and risk.

Your business may be best served by Kardex Visible Systems which signal due dates and warn against bad credit risks—or by Dalton and Remington machines which make bookkeeping more rapid and accurate—or by Powers machines which sort and analyse me-

The Remington Accounting Machine is particularly suited to posting installment accounts of certain kinds because this one machine will do both typing and figure work. Additions and subtractions are automatic in any desired positions on the ledger page.

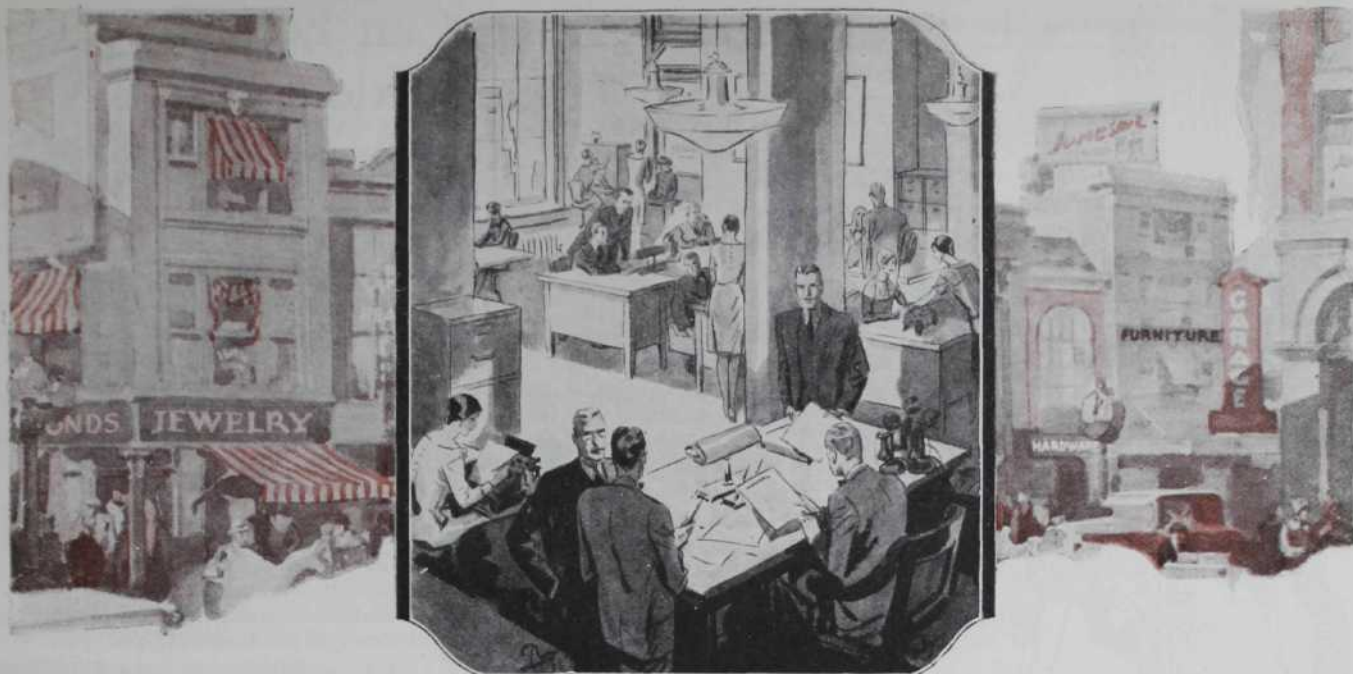
Baker Vawter-Kalamazoo loose leaf systems and equipment are equally suited for hand posting or machine posting of installment accounts. Standard loose leaf forms are also available for installment accounting.



Remington

REMINGTON • KARDEX • SAFE-CABINET • DALTON • POWERS

When writing to REMINGTON RAND



chanically the data of thousands of cards—or by Baker Vawter-Kalamazoo loose leaf methods.

Because Remington Rand has so varied a line to offer there is no need for selling pressure on any one type of equipment. Your individual need is considered and the system advised is an *accurate* answer to that need. A plan that will solve your problem most profitably—that is the plan that the Remington Rand Man will recommend.

Twenty-seven factories, six research laboratories, and 4,000 specialists have combined their facilities to make machines and systems, plans and methods for business men everywhere.

Let us prove the extent of these facilities today. Write or phone the local Remington Rand office for a representative. Remington Rand Business Service Inc., Remington Rand Building, Buffalo, New York.

The Library Bureau Steel Ledger Desk speeds the handling of installment accounts. As many as 6,000 ledger records can be maintained in a single unit, all within reach of one clerk.

Safe-Cabinets provide measured protection against fire for your installment records. Safe-Cabinet protection definitely assures you that collections can be made after the fire as well as before.



Kardex Visible Record Equipment makes possible instant reference to installment account records. Visible signals disclose the important information at a glance. No account can be delinquent and escape notice if Kardex is used, and more posting can be done with less clerical expense.



Rand BUSINESS SERVICE INC

KALAMAZOO • BAKER-VAWTER • LINE-A-TIME • LIBRARY BUREAU

BUSINESS SERVICE INC., please mention Nation's Business



Write for literature illustrating and describing "Y and E" Counterheight Steel Files.

Letter and card files, cash drawers, cupboards and roller shelves.

Make a counter of your files

IMPROVE appearance—save time and space—with these "Y and E" steel counterheight filing cabinets. They are replacing old-fashioned railings and counters in hundreds of offices. They make a handsome counter under their one-piece linoleum top bound in bronze. Keeping records right where they are used they aid in handling callers with courtesy and dispatch. Phone your "Y and E" store or write us.

YAWMAN AND ERBE MFG. CO.

722 JAY ST., ROCHESTER, N. Y.
Canadian: The Office Specialty
Mfg. Co., Ltd., Newmarket, Ont.



OFFICE EQUIPMENT

STEEL AND WOOD FILES • STEEL SHELVING •
DRAWERS • SAFES • OFFICE SYSTEMS AND SUPPLIES
• • • • BANK AND LIBRARY EQUIPMENT • • • •

When writing please mention Nation's Business

Business Alone Can Equalize the Tax Burden

(Continued from page 25)

sible easily to cancel the foreign debt. I believe nothing of this kind. I believe that the administrative leaders are genuinely desirous of collecting the foreign debts, and genuinely opposed to their cancellation.

With respect to these mistaken estimates, it has also been frequently charged that they were made more or less consciously. I do not believe that for a moment. I do not believe that Secretary Mellon or his advisers are capable of conscious deception in matters of this kind, and I know that the estimates have been made not only honestly, but carefully.

Principally because these mistakes in estimates have been honestly made, the fact that they have gone wrong makes necessary, in my opinion, machinery and legislation, and public practice and policy which will permit us to conduct the finances of the United States with mistaken estimates so that these mistakes can be smoothed out and equalized from year to year so that if through unavoidable mistake we raise \$635,000,000 which was not anticipated, and was not expected, and in that sense was not needed, the \$635,000,000 may be utilized at least in large part to relieve the taxpayer.

Mistakes All on One Side

I HAVE great respect for the policy of the government which has resulted in the retirement of \$8,750,000,000 of debt in the last eight years. Everybody must respect that prudence and that result. But notwithstanding my respect for it, I differ from it, and I differ from it particularly with respect to conscious plans for the future. In the past the policy has been to maintain and meet the statutory program; to have under no circumstances a deficit; to make your arrangements so that all of your financial program shall result in mistakes on the one side of surplus and then to add those surpluses to the statutory debt program.

Now, I must express opposition to this policy and for these reasons. First of all because I say that the surpluses which we have had are too big to be so used.

Second, because I think the statutory program of debt retirement, which calls for the payment of \$537,000,000 this year and an average of \$750,000,000 in the next twelve years, is adequate, generous, and statesmanlike in its conception.

There is in most of the thinking of the men who defend the present program a faith that Federal taxes are light, that we are not suffering from them. There is a certain measure of truth in that statement, but only a certain measure. To business concerns, and particularly corporations that have just got out of the bath of the red ink, and the tens of thousands of them that are earning three, four or five per cent a year, a Federal tax of

13½ per cent a year, or next year 12 per cent, is a very real burden and when we add to this the burdens of state and local taxation, it is a heavy burden indeed.

Corporation Tax Too High

ONE of the greatest evils of the policy of which I have spoken is this acquiescence in a viciously high corporation tax rate. The tax rate applicable to corporations is all out of gear. It represents, in my opinion nearly twice as much as the average rate paid by individuals. On the average, the corporate form of enterprise, merely as a form of enterprise, pays a discriminatory tax burden of, say, six per cent. The average normal tax for individuals runs from one and a half to five per cent, and the normal tax applicable to corporations has been 13½ per cent.

There is justification for a difference between the two, justification for corporation rate higher than the individual rate, but the existing difference is still excessive. The difference represents prejudice against the form of business organization which is almost exclusively predominant in the United States.

I oppose the policy of which I have spoken because I think it represents excessive prudence. Prudence is a good thing, but any form of intemperance carries with it the seed of reaction. I see evidences now of the first sign of the fruits of intemperance. I see it in the growth of proposed public expenditure.

I am opposed to the present policy because I think it involves an abandonment of the most fundamental function of the legislative arm of the government. In this present policy is the feeling that we must not reduce the tax rate, particularly the corporation rate, because the future is going to bring increased expenditures.

Now that is a distinct possibility, but it seems to me, speaking honestly, that the most cowardly way in the world to meet it is to keep tax rates which were designed not to cover present needs but future expenditures.

It is the most important function of a legislative body, in my opinion, to adjust tax rates down when authorized expenditures are relatively low, and up when larger appropriations are authorized.

We cannot anticipate the future, unfortunately. We should have tax rates designed to meet present needs.

The intemperance of the present program represents a capitulation in advance to the spender. Taxation is, fundamentally, a contest between taxpayers and spenders.

Now this proposition that we have got to have a 13½ or a 12 per cent corporation rate because expenditures are going to mount in the future represents an ignominious surrender to the tax spender, who I believe should be opposed with the

utmost vigor; and the greatest weapon of opposition of which I know is a low tax rate.

One of the vices of the present system is that we are keeping the corporation tax rate high enough to meet future expenditures. The difference under my plan would be that in case new expenditures were proposed and it was found that an increase in tax was justified, that increase, in my opinion, should be general, and not rest solely upon the corporation. That is why I believe in reducing the corporation rate to 10 per cent. If that yields enough revenue, the 10 per cent rate obviously justifies itself. If expenditures are to be increased, then I want to see not only the corporation rate, but the individual taxes and possibly some other taxes increased.

Surpluses to Help Taxpayers

I THINK the most important thing to be done is to take into account this high probability of which I have spoken, that mistaken estimates will occur in the future as in the past, and that we shall have material surpluses from time to time. I think we ought to cut our corporation tax rate to something much nearer that figure which would make it fairly equivalent to the tax rate upon individuals—cut it say to 10 per cent—and having done that, we should introduce a little simple machinery which would work in this way:

After the close of each fiscal year if a surplus be shown, the instalment tax payments due in September and December should be reduced approximately by the amount of the June surplus. On the contrary, if a deficit is shown for the fiscal year, the taxpayer should make it up.

Now, taxation is a fight. You are not going to get professors of political economy or learned judges or eminent statesmen to hand you down sound taxes.

Business has got to make sound taxes itself. It is something of an indictment of the business efficiency of the United States, that the corporation rate has been 13½ per cent. You have not wholly made your case in the past.

I see this problem as a question of temperance, of drawing a nice line between saving, spending and reduction of taxes, all of which in themselves may be good and right and proper. I think an amount of saving adhering closely to our statutory program is the fair and proper amount.

If we go on with the present program that we have, this generation will clear up the debt, and the next generation, if Europe continues to pay, will not only have no debt burden to take care of, it will not only be relieved of any annual interest charge, but it will actually be receiving substantial contributions from Europe to help to defray taxes which do not have to be met in retirement of the public debt, or any interest charge on the public debt.

I say that is intemperance; that to embark upon and maintain a program which does that, represents intemperate saving, and intemperate saving, like intemperance in any other department of life, carries an inevitable penalty.

ON and after June 1st, 1928, lump sum building contracts undertaken by Ferguson engineers on plans and specifications which they have prepared or approved for such guarantee, will carry the following clause:

• • • **“The Builder guarantees the work against defective workmanship and material for a period of five years after date of completion.”**

This is the first time that any organization has ever established a policy of guaranteeing complete building projects for so long a period. Ferguson engineers do it voluntarily because they assume complete responsibility for layout and design, as well as for the actual construction itself.

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Q Try to visualize a market place of 130,000 men representing earning capacity of over \$1,000,000,000 annually—men who are constantly in the market for every requirement of business, domestic and social life! This means office, store, factory, home, travel and recreational pursuits.

Q Just a few of many interesting facts concerning this wonderful audience—

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Q 96% are married and have more than 250,000 children—

Q 85% own their homes—over 100% automobile ownership—

Q Own and operate more than 300,000 motor trucks—

Q 63% of wives read this magazine regularly.

Q The influence of these men on the civic, social and business life of their communities is something to conjure with.

Q You can tell them and their families the story of your products through the advertising pages of their magazine—THE ROTARIAN—and be assured of their respectful attention and interest.

THE ROTARIAN

The Magazine of Service

223 East Cullerton Street
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The Railroads Are Getting Together

(Continued from page 28)

The same violent revision of the "tentative" plans proposed by the Commission is being worked out in the Trunk Line territory. In the first place the Eastern roads now propose four great systems west of the Hudson and east of the Mississippi rivers, instead of five, as both Ripley and the Commission devised. Moreover, these same eastern carriers boldly invade the South and undertake to blot out the tentative Norfolk & Western and Chesapeake & Ohio systems, the Pennsylvania absorbing the former and the Nickel Plate, the latter. They would divide the Virginian between them.

In the next place they propose to allocate the Lackawanna to the New York Central, divide the Lehigh Valley between the Pennsylvania and the Nickel Plate, allocate the Wabash and the Western Maryland to the Baltimore & Ohio, split the Wheeling & Lake Erie three ways, allow the Pennsylvania to parallel the New York Central along Lake Erie and do a score of other things apparently undreamed of when the Ripley and the Commission schemes were evolved.

This should not be understood as implying that either of the original schemes was infallible or even defensible. As a matter of fact, there is reason to believe that the Commission itself is now convinced that four instead of five trunk lines in the Eastern area would better serve the public interest, just as it agreed when the practical issue was put up to it that the Missouri Pacific ought not to be saddled with all the lines originally awarded to it.

Inasmuch as the four-system scheme in the East is soon to be laid before the Commission for study and approval, and inasmuch as it will involve the greatest economic factor in the life of the nation since the war period and inasmuch as the public as well as the Government will want and will be entitled to all the light that can be thrown upon this move to remake the railroad map of the Trunk Line territory, it might be well to anticipate the advantages which will be urged in behalf of the scheme.

Sufficient Competition

IT WILL be urged in the first place that practically all the principal producing and consuming centers of the territory embracing about half of the American people, may be served by two or more and in some instances by all four of the systems. Each will be ramified throughout the territory and be in a position to participate in a widespread distribution of the territory's traffic.

In the next place, it will be urged that each system would have access to sources of fuel supply and would participate in the commercial distribution of coal; that each would have access to at least two of the five principal North Atlantic ports, though no one of them would have access to all of these ports; that each system

would touch directly over its own lines the lower Lake ports and would participate in the large volume of coal and ore traffic of those ports.

Again, it will be urged that the mileage, property investment, gross earnings and net operating income would be more nearly equalized; that the systems, speaking broadly, would have equal opportunity to serve the public throughout the territory, to provide adequate facilities and to make needed extensions, and finally that a greater degree of actual and effective competition in service would be guaranteed by four systems, well articulated, than by five or more systems, some of which would of necessity be incomplete.

These are the considerations which moved the New York Central, the Baltimore & Ohio and the Nickel Plate to work out a four-party scheme early in 1924, and later submit it to the Commission. The Pennsylvania at first joined in those negotiations but eventually withdrew and refused to subscribe to the plan when its executives found that its competitors regarded the Pennsylvania System as it exists at the present time as self-sufficient and as requiring no additions in order to enable it to serve the territory tributary to it.

Loree Sought Merger

IT WAS upon that rock that the Eastern giants split four years ago. And for approximately three years thereafter no real progress was made in the Trunk Line Territory. Early in March of 1927, however, transportation and financial interests were startled to discover that the resourceful L. F. Loree had bought heavily into the Lehigh Valley and as heavily into the Wabash and, with these two lines practically within his control, plus his own Delaware & Hudson, he was prepared to revive the fifth trunk line project in the Eastern field.

Before that he had undertaken his ill-fated Southwestern combination around the Kansas City Southern; he had negotiated a lease on the Buffalo, Rochester & Pittsburgh; he had applied to the Commission for the right to build a new through line across Pennsylvania; he had flirted with the Taplin interests which owned the Pittsburgh & West Virginia and had a hand in the Wheeling & Lake Erie, and he had sought trackage rights over more than 200 miles of Pennsylvania line.

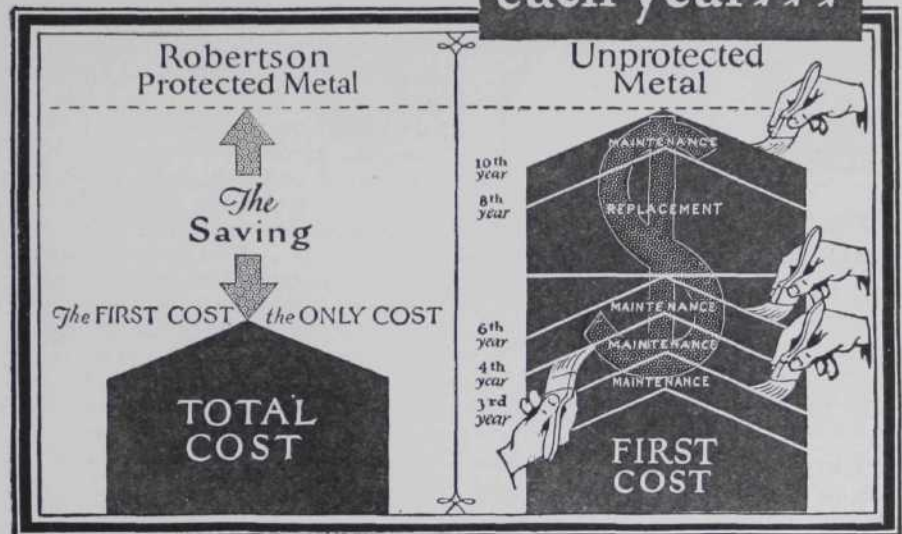
This bold operator's plunges were not regarded with gravity, however, until it was revealed that he was receiving aid and comfort from the powerful Pennsylvania Railroad and that railroad's bankers. This caused the New York Central, the B. & O. and the Nickel Plate to take serious notice of Loree and in the end, led by the Van Sweringens, it caused them to resume negotiations with the Pennsylvania.

These negotiations have been under way for six months and they came to a climax at the conference referred to in

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far more than RPM (as the chart shows). Because of its demonstrated economy, RPM is now used as standard for roofing and siding on the buildings of this great steel company. Hundreds of other corporations in all kinds of industries have come to the same conclusion... that, in terms of annual charges, RPM offers the lowest cost covering material for industrial buildings.

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"Earache nothing—a 90 degree slice came across two fairways and plugged me in the neck."

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the opening lines of this article. By using the threat of a fifth trunk line, the Pennsylvania secured concessions which are satisfactory to it, principally, a half interest in the Lehigh Valley, control of the Norfolk & Western and the right to a line along Lake Erie. With these gains to its credit, the Pennsylvania calmly dropped Loree overboard and joined with the other Eastern trunk lines in turning his picture to the wall.

In this move Mr. Loree and his backers found it both desirable and so far as the immediate interests are concerned, profitable to acquiesce. For they found in the Pennsylvania Railroad a bidder for their holdings in the Lehigh Valley and the Wabash. After some intensive negotiations, formal announcement was made that the Delaware & Hudson group had disposed of their Lehigh Valley and Wabash stock to the Pennsylvania at a profit of some \$20,000,000. This stock the Pennsylvania now holds with the expectation of maintaining a half interest in the Lehigh Valley and eventually turning over Wabash control to the B. & O. under the terms of the four-party compromise.

Meanwhile Mr. Loree had suffered a series of reverses. The Commission a second time vetoed his Southwestern merger, then cited him to show cause why the Kansas City Southern should not immediately dispose of its holdings in the Katy and Cotton Belt, on the ground that the three lines were in direct competition, each with the other two. The new line across Pennsylvania was flatly denied by the Commission, as was the B., R. & P. lease, together with the trackage rights over the Pennsylvania which he sought.

Another phase of the Eastern merger program has lately come to an issue. Some years ago the Baltimore & Ohio sought to buy the John D. Rockefeller interest in the Western Maryland. The Rockefellers declined to sell unless a purchaser was found at the same time for their controlling interest in the Wheeling & Lake Erie. The Wheeling is an important short line operating between the Pittsburgh district and Lake Erie and was coveted by all the trunk lines with the possible exception of the Pennsylvania.

Important Short Line

NONE of the interested trunk lines wanted another to have the Wheeling outright, but after a parley, the Nickel Plate, the New York Central and B. & O. decided to buy control of it jointly and to let the B. & O. have the Western Maryland, the transaction to be part and parcel of the general unification plan. This step was taken and thereafter application was made to the commission by the participating trunk lines for equal representation on the board of the Wheeling.

This application had been pending for nearly a year when on May 17, the Interstate Commerce Commission rejected the application. At the same time the carriers were warned by the Commission that that body does not look with favor upon joint control of important short lines.

The following day, May 18, the Com-

mission went a step further and cited the Nickel Plate, the B. & O. and the New York Central to show cause why in acquiring stock control of a competing line, they had not violated the Clayton Anti-Trust Act, and why these lines should not divest themselves of their holdings in the Wheeling. These rulings, more particularly the latter, came as a shock to the trunk lines and may have a discouraging effect upon the larger enterprise.

C. & O.—Nickel Plate

MORE significant still was the Commission's verdict in the C. & O. merger case, a verdict rendered on May 18. After the Van Sweringens had failed to gain official approval of their Nickel Plate-C. & O.-Erie-Pere Marquette merger a year ago, they revised their plan and resubmitted it to the Commission. Instead of making the Nickel Plate the parent property, they made the C. & O. the backbone of the merger, proposing that the C. & O. take over the Erie and Pere Marquette as it had already done in the case of the Hocking Valley. The Nickel Plate was left out of the picture.

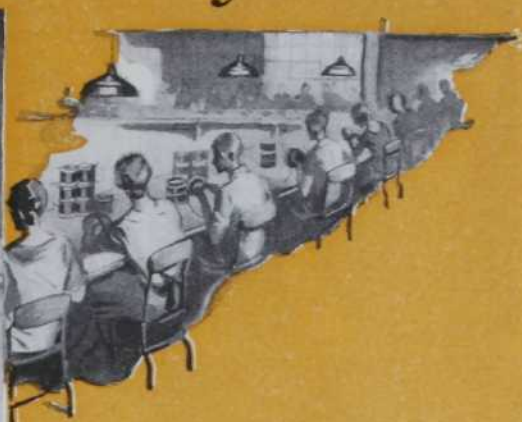
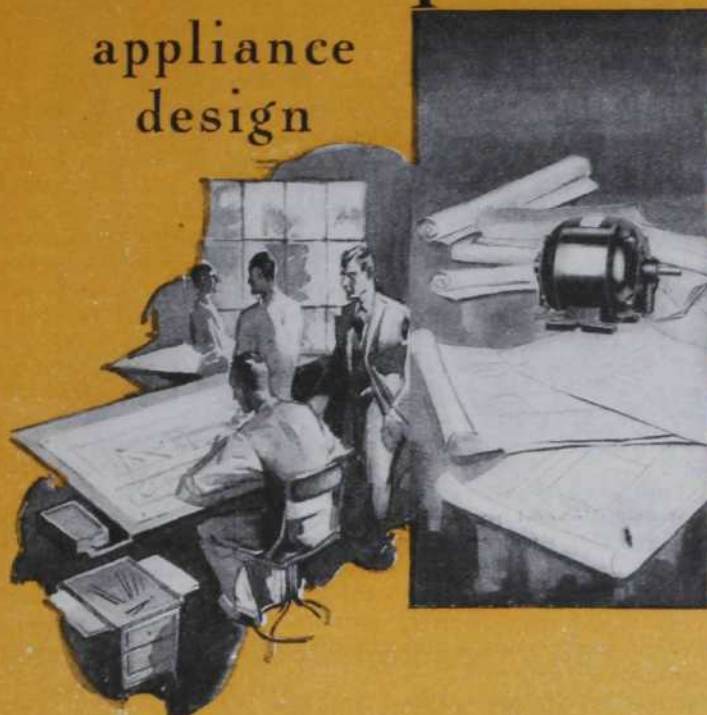
In its decision the Commission approved, conditionally, the consolidation of the Pere Marquette with the C. & O., but refused to allow the Erie to be taken in. And in the course of its decision that body laid down certain rules for the guidance of all the carriers in merger matters. In the first place it was ruled that consolidations should be based primarily upon transportation considerations; in the second place, that competition must be maintained in the fullest possible measure, and in the third, that stock jobbing and speculation in railway properties will not be tolerated. All this, plus the views expressed in the Wheeling case, has served to clear the atmosphere of uncertainty regarding the Commission's attitude toward consolidations.

This is the story, in brief, of the merger movement to date. It does not take into account the fact that minor mergers are going on all the time and have been going on for decades. Every great railway system in the country is primarily the result of consolidations. Hundreds of short lines have been absorbed by them. At present, for example, there are more than 90 corporate entities in the Pennsylvania System, perhaps half as many in the Southern Railway and more than two-thirds as many in the New York Central System.

And when the time comes for the Interstate Commerce Commission to validate the colossal combinations now in the making, the ubiquitous short lines which are still out in the cold must be provided for. There are literally hundreds of them and aside from the fact that the Commission is solicitous for their future, they have more political influence in the aggregate, as Professor Ripley has pointed out, than have the big carriers. For the most part they are owned locally, their boards are made up of home folks and these people will lay pressure upon the Government to assure their protection.

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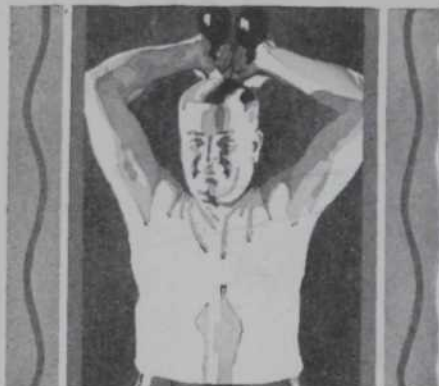
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Business Men Are Boosting Taxes

(Continued from page 16)

contention. The pressure for increased taxation comes from above, not below,—from public officials and employees, from seekers after public contracts, from seekers after government favors, and from the semi-socialists and paternalists who are so numerous in commercial bodies.

Free Things Paid by Taxes

FROM SUCH bodies, especially in the middle-sized cities of the country, flow an unending stream of demands for increased taxation to support such enterprises as municipal brass bands, municipal free concerts, free medical clinics, free city colleges, free dramatic entertainments, free golf courses, free tennis courts, free housekeeping advice, free cooking schools, free dressmaking assistance, free veterinary service to farmers, free expert advice to various forms of industry, and above all free advice and service to agriculture by the carload,—all to be paid for out of taxation.

The limits of this article will not permit listing the paternalistic and socialistic schemes of recent years. But consider two of them:

Some years ago, without any demand from farmers, so far as I could discover, a great agricultural organization, a system of county agents working with local farm bureaus, was established, chiefly supported out of the treasuries of the nation, states, and counties.

This is supposed to be purely a farmers' organization, but receives appropriations from the public revenues about equal to the salaries of its officers.

This is a glaring case of pure paternalism, for there is no more reason for the public treasury's paying the salaries of the officers of this farm organization, than for the public treasury's paying the salaries of officers of chambers of commerce. This organization was imposed from above. Wherever I have heard its history, or know it from personal observation, it was created and imposed by the local chamber of commerce, cooperating with government employees who wanted to increase the number of jobs.

The farmers of the country were already well organized in their commodity organizations, supported by the dues of their members. But this new scheme was sprung on us, fully grown from the public treasury, as Minerva sprang full-panoplied from the brow of Jove. All citizens are taxed to support this organization, whether they belong to it or not, and often they are in opposition to it.

While this is written, the morning papers announce that our own Kansas Senator, Arthur C. Capper, has just passed through the Senate a bill increasing the federal appropriation for county agent purposes \$980,000 a year, a bill providing for the appointment of 700 additional farm agents, 1,500 additional home demonstration agents, and 1,650 additional assistant agents,—all this in addition to

the present annual appropriation of \$2,724,000 for this purpose from the Federal Government alone. When will this steady increase end?

Our other Kansas Senator, Charles Curtis, has a bill pending to establish a Federal Department of Education, with a secretary in the president's cabinet, and of course the multitude of officials and employees which always follow. The annual appropriation to start this new department is to be \$1,500,000. This will, of course, rapidly increase, as all such appropriations do, and we shall have another army of federal officials, if the bill passes, to govern the country school districts, where the last vestiges of the local self-government of our fathers remain.

I mention these two bills by our own Kansas Senators merely as an example. Other propositions come from representatives of other states in House and Senate, all of them proposing new or increased appropriations. If there is any demand among the farmers of Kansas for these two bills referred to above, I have never heard of it. On the other hand the farmer sentiment of this state is against all such measures—against any measure, in fact, which proposes to increase the number of government officers and increase the appropriations.

Federal Aid Growing

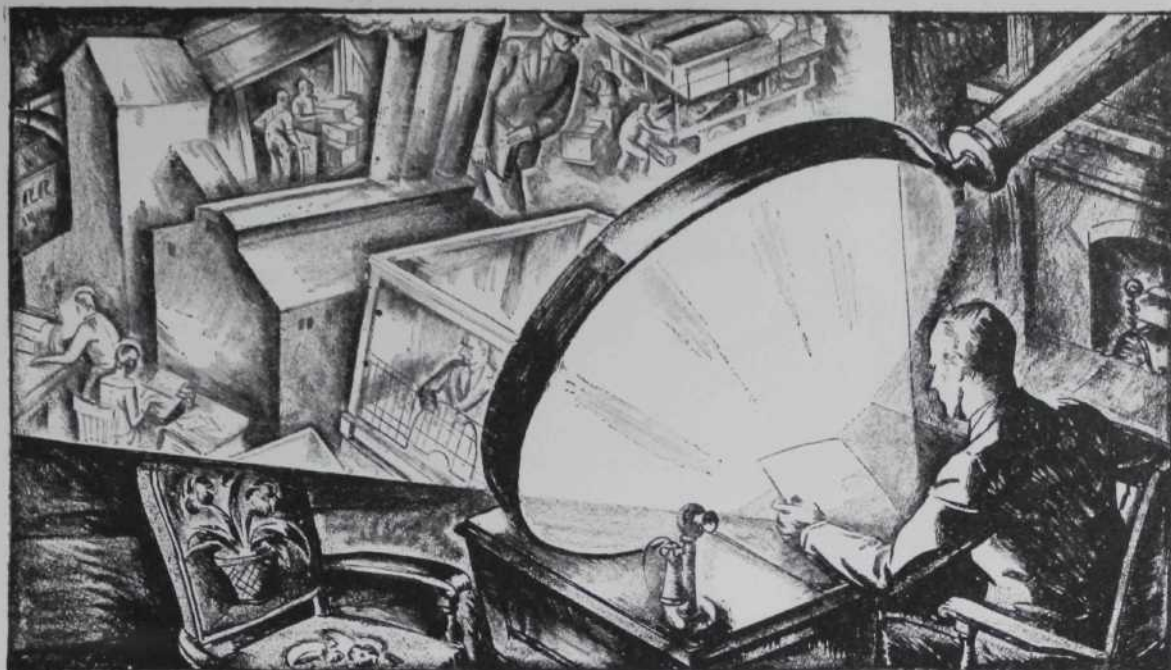
THE most insidious form of the drift toward ever-increased taxation—national, state and local—is the evil system of federal aid for local purposes, and often for private benefit. President Harding denounced this system in one of his messages. President Coolidge has done likewise. So have our two Kansas senators, as well as many others, but the pressure from tax grabbers is so strong that the system not only lives but grows.

Since many readers of this magazine may not know to what I refer, let me illustrate. Scattered over the country are numerous farmers who have what are called federal herds. That means that if any of the animals in such herds contract tuberculosis, the National Government will pay for them, in whole or part, will replace out of the public treasury diseased animals. You, readers, are taxed to provide the money.

Is there any good reason why the natural risks of my business should be assumed by residents of distant cities? The plan is pure paternalism, yet, unknown to the general public, this sort of thing is going on all the time.

I cite this merely as an example of the farmer coddling which is the fashion of the time, teaching the agriculturist to lean on the government, robbing him of self-reliance, making of him good seeding ground for socialistic propaganda.

In addition to these federal herds, for which federal taxation is employed to bear the burden, in many states all herds of cattle are under the same provision, with the difference that local taxation is



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Industrial Brownhoist 7½ ton capacity, gas operated crawler crane and shovel

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Excavating Made Easy

Think back a few years to the time when the laborer with his pick and shovel was an every day sight wherever an excavating job was in progress. Today, by contrast, you marvel at the speed with which an excavation grows before a fast working Industrial Brownhoist shovel-crane and a fleet of trucks.

Equipped as a shovel for a construction job or as a crane to handle all kinds of materials with bucket, hook or magnet, these quickly convertible crawler machines will travel anywhere that there is work to do.

It is this ability to do well any handling job that comes along, that makes an Industrial Brownhoist crawler a big interest earning investment.

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used instead of federal taxation to pay half the value of the diseased animal.

The latest federal appropriation on which the writer has figures, for federal aid in building roads, was 71 million dollars, most of it spent for purely local purposes. This was only a part of the total cost; the rest having been borne by the states and localities. The federal aid was used as a "teaser" to induce localities to increase their taxation.

All these forms of increased government activity and expenditure, as well as a host of others which space prevents describing here, mean increased national, state and local taxation. And if these activities are extended, or new ones established, more increases in state, national, and local taxation, will inevitably follow.

Apricot By-Products

APRICOT pits, commonly considered of value only for fuel, contain hidden riches. A million dollar industry has been developed in Santa Clara Valley, California, for the transformation into valuable commercial commodities of this heretofore discarded debris of canneries and drier cutting sheds.

So rapidly has this industry grown that more than 8,000 tons of pits were turned into beauty parlor, kitchen and medicine kit necessities last year. And so valuable have these pits become that growers are paid as high as \$70 a ton for them.

Briefly, the products of the apricot kernel are these:

Fixed oils—Used for salad and cooking oils and in the manufacture of drugs and cosmetics.

Oil of bitter almonds, U. S. P.—Used in the manufacture of medicine.

Oil of bitter almonds, S. P. A.—Used as a flavoring extract and in cosmetics and perfumes.

Apricot kernel meal—Used in the manufacture of face creams, bath meals and similar preparations.

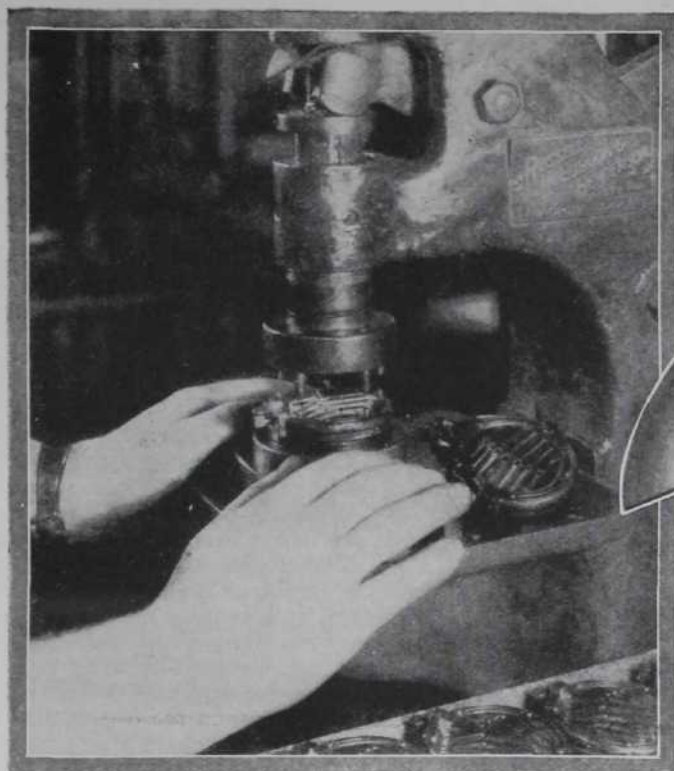
Macaroon paste—Used in making candy centers, macaroons and cake fillings.

Stock feed—Made from kernel residue.

Machines wash the pits and grade them, passing them on to a machine cracker. Cracked pits and kernels are then emptied into a brine solution in which the kernels float off and the pits sink to the bottom. The kernels are skimmed off and graded, the more perfect ones being saved for export trade. The remainder are pressed.

Extracted oil is stored in tanks to permit the formation of free fatty acids and their subsequent removal. Then by chemical processes the oil is refined and broken up into the various trade products.

Most of the uncrushed kernels are shipped to Europe, where the bitterness is removed and the tastier meats are then reshipped to the United States as almonds.



Unique Reproduction, Inc., assemble the halves of their phonograph reproducer with Parker-Kalon Hardened Metallic Drive Screws. The 5 Screws required are pressed in at one time.



40 minutes with machine screws — 4½ minutes with Drive Screws

FORTY minutes were required to tap the holes and turn in 250 machine screws necessary to assemble 50 phonograph reproducers. When new business demanded an increase in production from 500 to 5500 units per week, this method became too slow. Seeking a speedier means of making the assembly, Hardened Metallic Drive Screws were tried out, and adopted. As a result the assembly time was reduced to 4½ minutes—a saving of close to 90%.

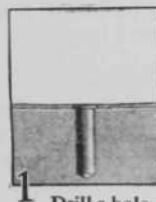
Permanent fastenings to iron, brass or aluminum castings, steel, Bakelite, etc. are made easily—quickly and cheaply with Hardened Metallic Drive

Screws. They are so threaded and hardened that they cut their own thread in the material as you hammer them in. They make better—stronger fastenings than machine screws, escutcheon pins, rivets—fastenings that even constant vibration will not loosen.

More than 18,000 manufacturers are using these Screws for fastenings of every description, from attaching name plates to making assemblies where strength is an important factor.

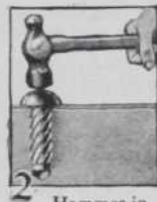
Perhaps they could be used profitably in assembling your own product. It costs nothing to find out.

Easy to use—



1 Drill a hole.

no skill required



2 Hammer in the screw.

Try them for yourself

That's the best way to learn what these Screws will do for you. Just tell us what you want to fasten and we will gladly send you a handful of suitable samples—no charge—no obligation.

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I Admit I'm a Badgerer

Intelligent criticism and rightful complaints help the corporation

By ROBERT JOHN BAYER

MANY a clever lawyer has bolstered up a weak case by making all twelve of his peers laugh. Somehow, I get that kind of a reaction out of Herbert Corey's article "Badgering the Corporation" in a recent number of NATION'S BUSINESS.

Even if, by some miracle, I were not acquainted with the peculiar form of trouble discussed therein, I would be naturally suspicious of the author's premise on account of the forced facetious tone he takes.

This business of the relation between the corporation and the public it seeks to serve is far from a laughing matter. Every business man knows it. The corporation with which I am employed is no very large one; but in the course of my daily work I find ample opportunity to know that, all unconsciously, we tread on the toes of our customers occasionally.

I do not quite get the point Mr. Corey tried to make. Was he advocating the acceptance on the part of the public of these defections without outcry? Or was he pleading for us all to make complaints to great corporations only in matters of greater importance than errors in hotel reservations and milk bottle tops in apple pies?

If the first is the case, it is obvious that the author will have attained his object when the general public supinely accepts everything every great corporation and its employees choose to hand it—bouquets and insults alike. If he is arguing for the second reservation, who is to judge whether an error is serious enough for reporting, if not the person against whom it was committed?

Why Badger Railroads

A MILK bottle cap may be something to laugh at, but it is conceivable that, presented among the apple slices in a piece of pie to a particular person at a particularly inappropriate moment, it may be a matter of more serious consequence.

I wonder whether it is a coincidence that most of Mr. Jeb Cochran's badgering was directed against the railroads? It may be that that was the case, simply because the railroads are so voluble in ad-

vertising the courtesy of their employees that a divergence by them is more quickly noticeable.

Personally, I do not think there is anything coincidental about it. Ask any man who does a great deal of traveling when he last met a courteous ticket agent. I'll venture his affirmative reply, if he has one, will be timed some years ago at least.

The other Sunday I purchased a ticket and pullman reservations in the Union Station at Sioux City, Iowa. The clerk served me with a smile and paid some at-

tention to my request as to the location of the space. I was so surprised that I asked for his name so that his superiors could hear from me about this strange animal who acted so differently from the usual run of his breed.

Contrast him, for instance, with the man at the window in Buffalo, a month or two ago, who, when I asked for reservations somewhere near the

center of the car, for myself and my wife, refused even to transmit my request over the phone to the sales office.

"What's the use," he volunteered. "You're lucky to get a section at all. If you was going to New York, you'd be out of luck."

"But," I protested, "I'm not going to New York, I'm going to Chicago."

My reply made absolutely no impression on the suave gentleman who was taking my money. Not serious, you say? True, if getting used to it makes a thing not serious. I didn't write any letter about that, even though, you or I, if we were running a business and had a sales clerk handle a prospective customer so tactlessly, would want to know about it.

But I have written letters to railroad passenger traffic managers on two occasions—in addition to the one I wrote the other day about the Sioux City clerk. The first was about a little Irish baggage clerk in New York who refused to check my portable typewriter. Passing up the silliness of a railroad having such a rule, evidently a hang-over from the days when heavy typewriters were furnished with flimsy tin covers, I was curious to see the rule. I asked for the tariff, as I had a right, and was greeted with a string of choice profanity, directed at one who

would bother a man for such a trifle. After absorbing a few more cuss words, I finally got the chap's name.

Now, I ask you, was I or was I not to let the men in authority know of this man? Should they have the chance of disciplining him and, perhaps, preserving some business for their roads that undoubtedly he would drive elsewhere were he to continue his course? Well, I thought it over, and wrote the letter. The result wasn't so bad as Mr. Corey might imagine. After the lapse of a few weeks, I got a letter from the passenger traffic manager thanking me and saying that the infractionary baggageman had been disciplined—and a letter from the baggageman apologizing for his conduct!

Discourteous and Evasive

THE railroads are not the only offenders, but for prime examples one must adhere to the transportation companies. Have you ever stood behind a little old lady, at the platform of an elevated or subway car and heard the following conversation?

L. O. L.—Does this car stop at Columbus Circle?

Guard—All express stops.

L. O. L.—But does it stop at Columbus Circle?

Guard—I said "All express stops, didn't I?"

L. O. L. (timidly)—Is Columbus Circle an express stop?

Guard—No. Move on or get off, you're holding up the line.

In a middle western town I ventured to try to point out to such a one that he might have saved himself trouble had he answered the question directly in the first place. Overhead in the center of the car was a sign, "Courtesy always—Our Motto."

"What," I asked, "does that sign say?"

"Can't yu' read?" was the somewhat reasonable reply.

If it were not for the fact that most great corporations are alive to this matter and are expending time and money to obviate this difficult evil, life wouldn't be worth living these days. But if the annoyance is being held to a minimum, it is through the help of intelligent criticism.

There are cranks, no doubt. Every one of us has experienced the embarrassment of eating dinner with one of those fellows who seems to get a delight out of badgering the waiter. But Mr. Cochran didn't seem to be such a particular pest, and I'm sorry that he's been reformed. May, on the other hand, his tribe increase.

“THIS business of the relation between the corporation and the public it seeks to serve is far from a laughing matter. Who is to judge whether an error is serious enough for reporting if not the person against whom it was committed?”



As your day ends what of your mail—?

ANOTHER business day ended . . . for you,—but what about your mail? Sixty percent of today's work goes out in the mail tonight. Communication is vital to business. No factor is more important to an efficient management than accurate and prompt handling of mail.

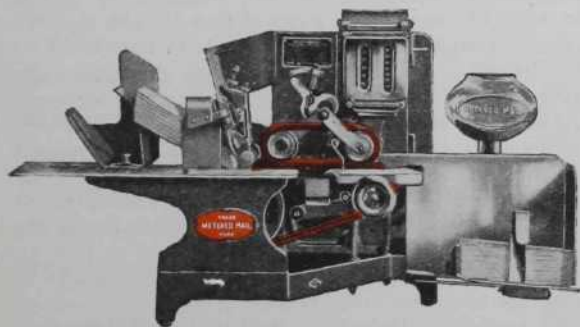
To speed the despatch of mail . . . to make correspondence between executives sure and faster . . . "Metered Mail" is used by thousands of the largest and busiest companies in America. Its success in handling the main office mailings is now leading to its use by individual departments and branch offices of these same companies.

How soon is your mail sealed and stamped and on its way after you sign it? "Metered Mail" means quick despatch from your office to the Post Office, no crowded mail chutes, letter boxes, facing tables, cancelling machine operations, when you use this postal system . . . it means earlier train despatches, a sure reply tomorrow, more prompt returns.

The Post Office can handle "Metered Mail" much faster than any other system.

Every one of your correspondents who receives your mail in a "Metered Mail" envelope recognizes that you are using the fastest and most modern postal system.

The Model "F"—Price \$385.00



This new, smaller and less expensive mailing machine makes it possible for stores, banks, departments, branch offices—or any business which has important daily mailings, to have the advantages of an automatic, electrically operated sealing, stamping and recording machine and "Metered Mail."

Never before has there been offered an automatic mailing machine at such a low price. A demonstration may be had at any of our twenty-one offices—or we will send descriptive folder explaining its operations.

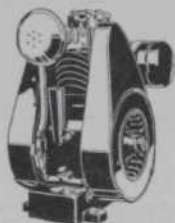
THE POSTAGE METER COMPANY

Sole Distributors of Pitney-Bowes Mailing Equipment

703 PACIFIC STREET, STAMFORD, CONN., U. S. A.

OFFICES IN TWENTY-ONE AMERICAN CITIES AND FOREIGN COUNTRIES

Sales Problems are often Power Problems



This compact FULLPOWER, 4 cycle, gasoline engine has proved to be a sales builder for hundreds of manufacturers of light machinery who require a power unit of 1½ H. P. or less. A self-contained power plant, takes up very little space. Made in 4 sizes: ½ H. P., ¾ H. P., 1 H. P., 1½ H. P., ranging in weight from 57½ lbs. to 98 lbs. Air-cooled; fly-wheel magneto—gives dependable service under all conditions. High speed—generally interchangeable with electric motors without changing gear ratios. Rugged construction insures low servicing expense.

Our experienced engineering department has worked with hundreds of machinery manufacturers on a wide variety of power application problems. Let us know your power problem. Advice gladly given, no obligation.

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MILWAUKEE, WIS.

Fullpower

4 CYCLE
AIR-COOLED

GASOLINE ENGINES



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Dry Stencils



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You'll know how good a good stencil can be when you use your first Arlac. Let us hurry the discovery by sending you a sample free. Arlac Dry Stencils come in sizes to fit any standard duplicator.

A sample will convince you

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419 Fourth Ave. Pittsburgh, Penna.

Please send a free Arlac Dry Stencil for use on.....Duplicator

Name.....

Address.....

When writing please mention Nation's Business

Outstanding Men I've Met

(Continued from page 43)

relent and would let it be known in the utmost confidence that I had been privately informed that Mr. Rockefeller was worth no less than a billion dollars.

"That was Lord Rothschild's final triumph. He would gloat over this stupendous figure, lay it before his associates to be examined and dissected. All of which was done with an entire absence of any semblance of a feeling of envy but instead as if in pride of financiering craft.

Statesman of Russia

"ONE of the most forceful men I have ever known was Sergius Witte of Russia. He had begun life as a railroad worker, a commoner, but by 1898, when I met him, had become finance minister of the land of the Muscovites, and was later to be known as Count Witte. He was a constructive statesman, an empire builder, more particularly in the economic sense, playing then with the most extensive domain in all the world. America knew him only through his participation in the Portsmouth Conference which settled the Russo-Japanese war but Europe placed him beside Cecil Rhodes as a romantic figure of his time.

"Knowing both men well, I used often to compare them. They were alike in commanding appearance. Both were more than six feet in height and splendid specimens of manhood. Witte might have been a Westerner of mixed blood much of which was Nordic. But he inherited an oriental calm that contrasted strongly with the nervous energy of Rhodes.

"Witte's ambition was the industrial development of a huge nation. He was not interested in territorial expansion as was Rhodes. He was a man of progressive ideas, resourcefulness, of action. But conceive of the difficulties of his position in Russia which was a mass of unawakened manhood governed by a bureaucracy not far advanced in a knowledge of government and honeycombed with intrigue and jealousy! Far easier was the task of Rhodes in the open spaces of South Africa with a sympathetic group of British adventurers at his back.

"Witte at this time wanted to interest English capital in Russian development, that the infiltration of the Germans might be checked. I asked him if American capital would do as well. The reply he made at that time, now just 30 years ago, indicates the changed position that has come to America in a generation. American capital, he said, was not available, for the United States was not an international money power.

"There were other men in my party in Russia. We had been making studies of various Russian industries. We spent a good deal of time in St. Petersburg and saw much of Mr. Witte. We often went out to his house and elsewhere to dine with him. His personal conveyance was a droshky which held but two persons.

"The nihilists were rather active at that time and Witte was said to be on their list. Soon Witte and I began to notice that a special deference toward me had developed on the part of the other members of my party. They always allowed me the honor of riding with the finance minister. We chuckled over this situation between ourselves and it helped in the development of a warm friendship.

"Witte shone brightly at the Portsmouth conference in this country. I saw him again in Russia in 1912, an embittered old man. He had been shorn of all power. He had been too progressive for the court and too calmly constructive for the liberals. Yet Witte was the one man who might have saved Russia in the great crisis.

"How different might have been the history of the last two decades if it could have been given to Witte to handle Russia's part in it!

"Thomas Edison's picture in my collection," Mr. Hammond continued, turning to a different grouping of old friends, "reminds me of a long friendship. One incident in it stands out. I had returned from South Africa in 1900 to find him, as is his way, immersed in a study quite out of his special line just as he has been giving attention of late to the production of rubber.

"He was working on the problem of extracting gold from ore and thought he was on the trail of a great discovery. He asked me to go to East Orange and look at his experiments.

"I did this. I took my son Jack, who was then 12 years old, along with me. Jack was of a mechanical and inventive turn of mind and this promised to be a great experience to him.

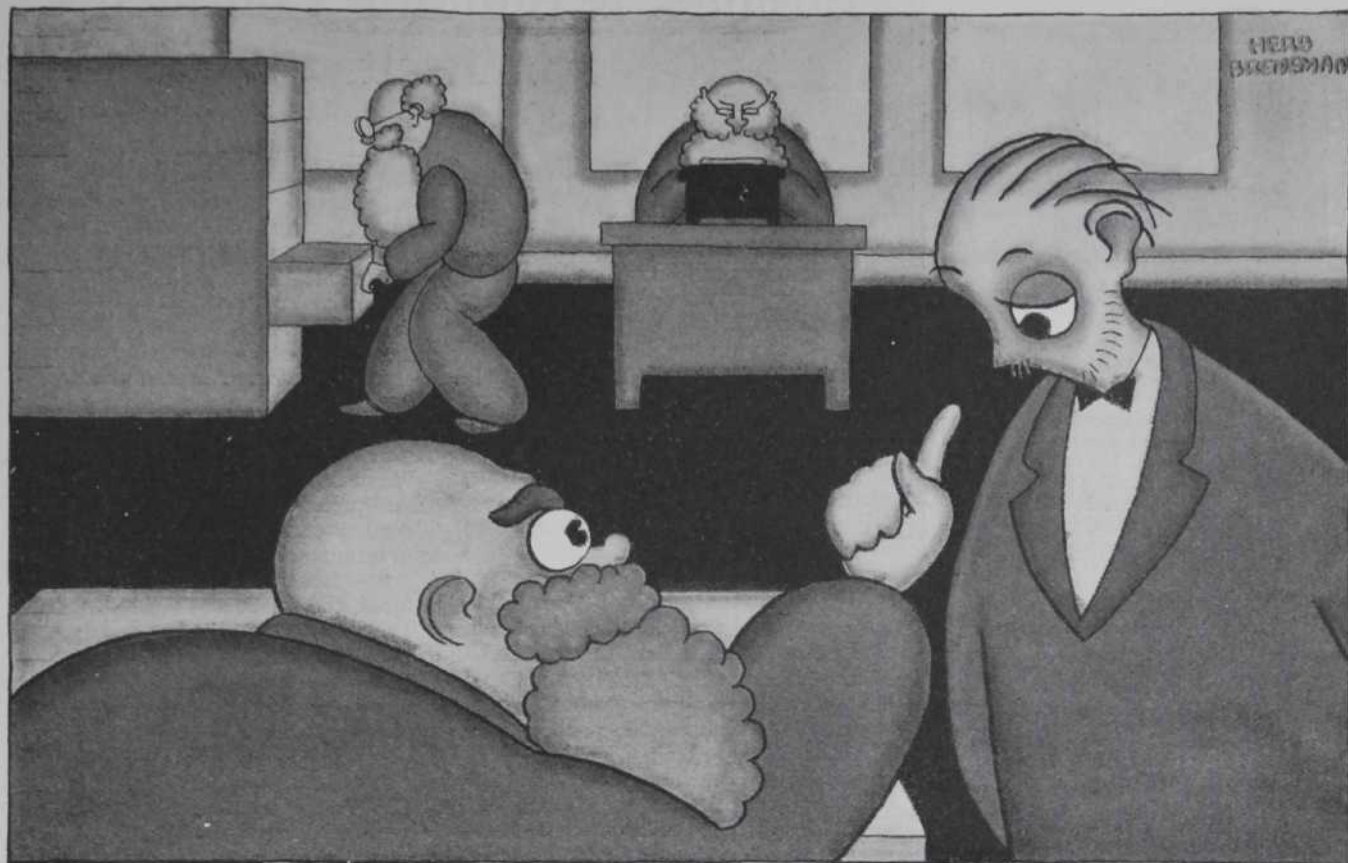
Readily Admits Error

"WITHIN an hour I had shown Mr. Edison that there were certain difficulties in the way that made the theories on which he was working impractical and worthless. He saw immediately that it would be a waste of time for him to carry his experiments further.

"Then Edison took us all through his laboratories. I remember, for instance, that he showed us the models on which he took out his first patents for the phonograph.

"He complained then that musicians of standing scorned singing for the phonograph. He prophesied, however, that we should all live to see a time when any of them would be glad to do so.

"Jack went about with his notebook in hand. He made sketches of much of what he saw. I remember that Mr. Edison initialed some of these sketches. The boy's mind had already run strongly to invention. I think that it is probably true, however, that this contact with Mr. Edison gave him a heightened interest in the study of electricity the result of which was that much of his work has been done in that field."



“Now I am annoyed”

“Clarence,” said Mr. Wangle, stroking the luxuriant shrubbery which cascaded from his jowls, “your beardless face is running up our overhead. Any man who cannot raise whiskers after three weeks of patient effort is a Needless Luxury.”

Why, alas, is the neck of Clarence the Cashier in danger of the axe? Is there no justice?

Yet rules are rules. For Mr. Wangle, incensed by the mounting monthly bills for paper towels, has made beard-bearing compulsory in his Wimple and Widget factory. Like a Revelation came the thought that faces under whiskers are seldom in need of washing.

Poor, dear, gullible Mr. Wangle! Of course paper towels—or any other

kind—are a constant, needless expense. When will he learn that there is a modern way of drying face and hands which is not only far better, more sanitary and more comfortable, but which saves an amazing amount of money!

For Sani-Dri, which dries the skin by electrically warmed air, has proven to hundreds of executives in offices, institutions, schools and industrial plants that it pays for itself out of savings in a few months' time.



CHICAGO HARDWARE FOUNDRY CO.
Room 303, Sani Building
209 W. Randolph St., Chicago

Send me full information about Sani-Dri electric dryers for washrooms, and a copy of your booklet “Cutting Towel Bills Everywhere.”

Name

Address

Position

**Cuts Towel Bills
50% to 90%**

Sani-Dri

**For Drying
Hands and Face**



A Print-Shop on Your Desk

The biggest Multistamp could hide under your hat and cost only \$25.00 completely equipped, but it will duplicate LETTERS, POST CARDS, NOTICES, FORMS, MENUS, TAGS, LABELS, DRAWINGS, HANDWRITING. Prints on paper, cloth, wood—any smooth surface.

No Delays

Just write, typewrite or draw on a dry stencil, snap it onto Multistamp. Roll off the prints, perfect copies,—40 to 60 per minute—right at your desk. No type to set. No moving parts. Anyone can operate it easily. GUARANTEED.

LETTER SIZE \$25⁰⁰

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RUBBER-STAMP SIZE \$7⁵⁰

All Three in Handsome Metal Cabinet \$50.00
(Prices F. O. B. Factory)

MULTISTAMP
REG. U. S. PAT. OFFICE

Over 150,000 USERS

Write for Catalog and Samples of Work

THE MULTISTAMP COMPANY INC.
527 W. 20th St., Norfolk, Va.

Agencies in most principal cities
Salesmen & Dealers wanted in a few open territories



The
Atlanta Biltmore
Atlanta

The South's Supreme Hotel

A Bowman Biltmore Institution
"Where Southern Hospitality Flowers"

Guests' Comforts above all else

Rates from

\$3.50

Golf for Biltmore Guests

Jno. McEntee Bowman, Pres. Wm. Candler, Vice-Pres.
W. C. Royce, Vice-Pres. and Manager

Business Is Building Confidence in Itself

(Continued from page 18)

furnish a practical guide of the conduct of business. They have been called the Fifteen Commandments of Business. They represent the most advanced and enlightened thought of the most intelligent and responsible business leaders of the country, and have done much to put business on a high ethical plane.

One of the most notable examples of the need of law to establish a right standard was in the food business. Prior to 1906 when the Federal Pure Food Law was enacted, the industry was in a deplorable situation, with its adulterations, misbranding and misrepresentations.

For instance, cases were known where a package of glucose with a bee on the top was labeled honey.

A group of about twenty-five manufacturers proposed a code of ethics for use in food making, which took the form of a bill.

Another illustration of the tendency to recognize the rights of the public, which ethics dictate is to be had in the growing practice of corporations of making public their more intimate affairs. This has been made compulsory by law in the case of railroads and certain utilities which are of a quasi-public character. Private corporations have not been slow to see the advantage of disarming hostility by following suit. Nothing has done more to restore confidence in great business corporations and in their uprightness in which is implied honesty, sincerity and fairness.

Pittsburgh has witnessed a good illustration of this. The Philadelphia Company is the holding company for the street railway, the electric light, the natural gas, and the public heating companies of Pittsburgh. The street railway company had had some bitter controversies with its employees and differences with the city

government about its franchise rights and duties. It was unpopular with the public because of poor service, and was going into the hands of receivers.

About that time this company brought to Pittsburgh to take charge of its affairs as president, Arthur W. Thompson, who has since become president of the United Gas Improvement Company of Philadelphia. He brought a belief in the principles "that public service is a public trust," and that "equitable consideration is due to owners, employees and the public," but to the public first.

What has the application of those ethical principles wrought? Briefly this: The street car company receivership was soon terminated, the service was improved, the fares for regular riders were reduced, the public was pleased.

The Light Company has been greatly developed in equipment and in the extension of service and has been made one of the most efficient in the United States.

Four voluntary reductions in rates have gratified consumers and have not been at the expense of wages.

The heating unit, regardless of the necessity of increasing rates, has so served its patrons as to increase their satisfaction. Right ethical standards—toward the public first, toward employees next—have made a satisfied public, happy employees and contented stockholders.

American business at heart is sound, because the nation itself is sound. I am one of the optimists who believe that the sure forces of human advancement are sending the world forward; that no one who covets the place of a business leader fails to recognize that adherence to the highest standard of ethics, self-denial and self-sacrifice are fundamentals of leadership; and that a sense of honor, a sense of integrity, a sense of fairness, are the ruling principles in business today.

What Goes to Make a Sale?

A WELL-DRESSED woman, slightly lame and walking with a cane, was making a shopping tour of a large city department store accompanied by her husband who was equally well dressed.

They stopped to look at some children's print dresses which were displayed on a counter at \$4 each.

An unusually pretty salesgirl about twenty-one approached smilingly. She had diagnosed the situation quickly, and had a chair with her. The invitation to be shown some dresses was too well done to resist, though at the time there was nothing but mild interest in the minds of the couple.

The woman sat—and found that she was facing a larger display of very much more attractive dresses in another dis-

play. In the end, they ordered several dresses, at very much more than \$4 each.

The young saleswoman had used her head. Without the slightest evidence of what she was doing, she had taken complete charge of the situation and created a sale of nearly a hundred dollars.

I told this little narrative of retailing to Ralph Hudson, President of O'Neil's in Baltimore, who has recently been re-elected president of the National Retail Drygoods Association.

"That was perfect as far as it went," was his comment, "but all that beautiful groundwork might have been ruined if a single slip had occurred elsewhere in delivery, billing, credit, or any of the other angles to a sale which must coordinate perfectly. Otherwise all the planning and work go for nothing."—W. B. C.

The Erie Railroad's Contribution to the War on Waste

VERY recently it was realized that Waste in Industry sometimes reached fifty per cent of the value of the output.

AMERICAN BUSINESS was aroused to the Menace. Secretary Hoover organized a War upon it. Dr. Julius Klein, writing in the NATION'S BUSINESS characterized the evil as "The Shameful Waste in Business."

AS A Manufacturer with a half billion dollar business the Erie Railroad promptly enrolled for the War on Waste. A railroad is, after all, only a manufacturing business, manufacturing only one thing—Transportation.

Just as a Progress Report: During the last Year the ERIE RAILROAD has junked more than 8,000 box cars and more than 400 locomotives *because they were too wasteful to have around*. That's enough equipment to run any ordinary railroad. But they went to the scrap pile in the War on Waste and Millions of Dollars were spent to replace them with the most modern Machines of Transportation.

What happened? The new locomotives haul cannon-ball freight trains bearing 3,000 tons where the old ones handled only 2,600 tons. On a 200-mile run up grade, they burn 51,000

pounds of coal instead of 76,000 pounds. Fast freight trains which used to take 10 hours and 14 minutes between terminals now require only 7 hours and 30 minutes.

The carrying capacity of a train has been increased 17 per cent. The fuel consumption has been reduced 32 per cent. And the movement of the freight has been made 34 per cent faster. At the same time the cost of locomotive maintenance was measurably reduced.

Manufacturers find millions of dollars, formerly frozen up in goods in transit, quickly released for other duty. Distributors are enabled to guarantee quick and dependable deliveries; to hold present markets and win new ones.

The ERIE RAILROAD, under its new management, is proud to be able to make this contribution to American Business in its War on Waste.



Spotlights on the Town

By THOMAS R. CHARSHÉE

IN THE vicinity of Hickory, N. C., large quantities of "pohickory" or "hickory" trees are to be found. One of the principal industries of this North Carolina city is the manufacture of products made from hickory wood.

For several years the Hickory Chamber of Commerce has distributed the hickory stick, marked with the words "Hickory, N. C." Many thousands of these sticks have been sent to clubs, conventions, and other conferences in almost every part of the United States and Canada.

The world's largest apple pie is the publicity idea conceived by people of Yakima, Washington. The pie was baked in a specially constructed oven erected on a vacant lot. It was ten feet in diameter and eight inches deep and weighed one ton.

The cost of the pie including the work in baking it was about \$1,000. A truck load of apples was used. The pie was baked just before National Apple Week, and publicity concerning it was released that week in all parts of the United States.

"An Apple a Day—"

THE purpose of this publicity was to direct attention in a striking way to the use of apples, especially Yakima apples. The pie baking attracted four National News Reel cameramen, newspaper men, and others from a distance. Several hundred school children were called upon to eat the pie when it was pulled out of the oven by a tractor. Several photo still services took pictures of the pie, and as a result the event has been given publicity, not only in all parts of the United States, but in practically all foreign countries. Many articles and letters regarding the pie have been received by the Yakima Chamber of Commerce.

In addition to its effect on the consuming public outside of Yakima, this display opened the eyes of the local citizens as to what could be accomplished and gave them a greater appreciation of their own city. It also made them more ardent supporters of Yakima apples and Yakima products generally. The baking was sponsored by the Yakima Chamber of Commerce and the Yakima Valley Traffic and Credit Association.

The Minneapolis, Minn., Civic and Commerce Association recently gave a "shadow banquet." Last December the annual meeting of this association was held via radio.

Before this novel meeting, announce-



CHAMBERS of commerce are seeking to attract attention to their communities. A principal industry may be advertised; community spirit may be stimulated; the community itself may be promoted as a desirable place for factories or residences.

Communities continually seek publicity. The information "bureau" and the "coal" house pictured here are two ways they get it



ments were sent to the members, together with the program printed on paper napkins. Speeches were written out in their entirety, and both the announcer and all others who took part in the program, actually had the texts before them. Thus was prevented variation from the original time limit to the different discussions. The story of the year's work of the Association was developed through chatty conversations of the speakers. The president of the association entered into the program at intervals.

The publicity committee of the Orange, Texas, Chamber of Commerce recently sponsored a campaign designed to adver-

tise the industries of that community. The local industries banded together and each published a leaflet, giving a brief history of its institution. These leaflets were then exchanged among the different industries, banks, and chambers of commerce. They are being circulated extensively by all in behalf of community advertising.

Rabbits and Fur

MANUFACTURERS' products, fur products, and a miniature rabbit farm, were displayed at the last annual industrial fur and rabbit exposition, held in Compton, California, and sponsored by the local Chamber of Commerce.

Beaumont, Texas, is the center of a large rice producing area. It has four rice mills and one of the largest rice packing plants in the world.

The Beaumont Chamber of Commerce distributes a cluster of rice tied together with a ribbon on which is printed "Beaumont, Texas." This is used as a badge and has been effective in campaigns to obtain conventions for Beaumont.

The Akron Chamber of Commerce distributes a leaflet, which is in the form of a rubber tire. The leaflet describes interesting things about Akron and its rubber industry.

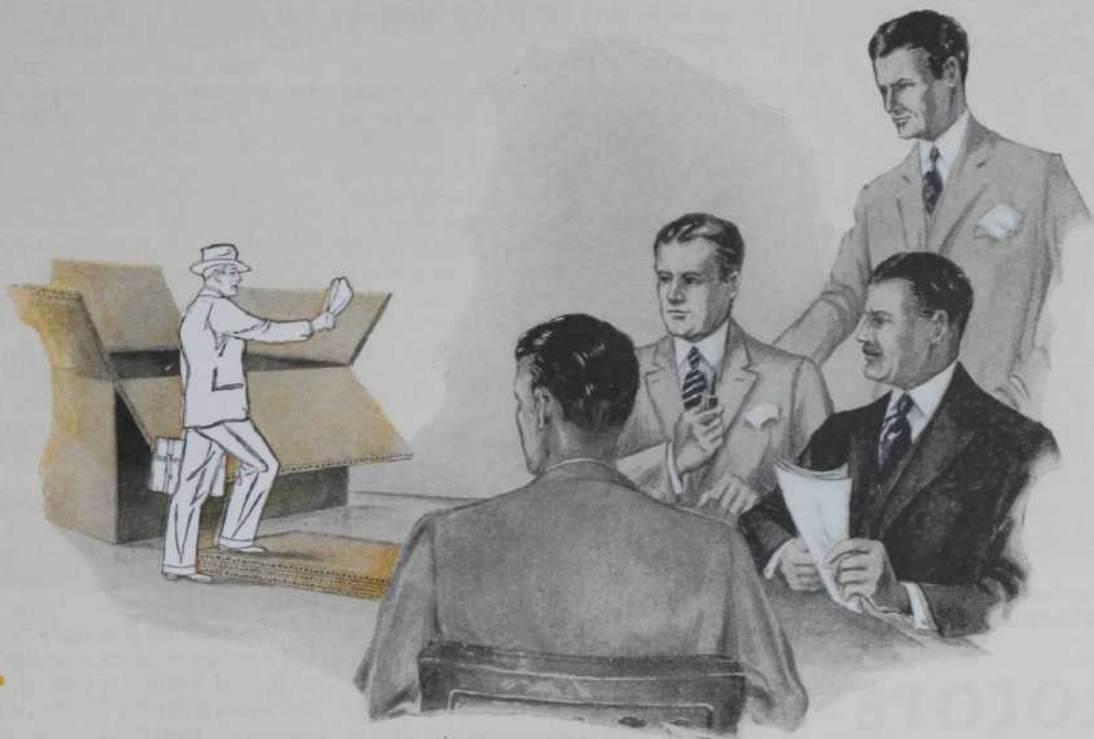
Many chambers of commerce conduct information bureaus in their routine work.

The High Point, N. C., chamber built its information booth in the form of a bureau to help advertise the town as the "furniture center of the south."

The Middlesboro, Kentucky, Chamber of Commerce has a building constructed of native coal.

Practically every known method has been used by the Asheville, N. C., Chamber of Commerce in advertising Asheville.

The Asheville Chamber holds annual goodwill tours. Prominent visitors in Asheville receive gifts of native fruits and flowers. Delegates attending conventions in Asheville receive courtesy coupons, good for shows, sight-seeing tours, club and special privileges.



Here's How Package Engineering Will Save You Money

ONE of your most important operations is packing your product for shipment. The right method means increased economy and good will. Extra savings and extra sales build extra profits.

One of the 50 H & D Package Engineers is located near you and is ready, able, and willing to give expert assistance in improving your packing and shipping with a saving over previous methods.

By the "Package Engineering" method your product, packing facilities, means of transportation and consumer preferences are all analyzed. The Shipping Box that best meets these requirements is then designed and recommended.

Write today for appointment and secure, at no cost to you, definite packing and shipping facts of great importance to every manufacturer who packs his products in shipping boxes.

THE HINDE & DAUCH PAPER COMPANY
304 Decatur Street Sandusky, Ohio



Only a satisfactory Shipping Box, properly and punctually delivered, can account for the ever increasing number of firms who ship in H & D Corrugated Fibre Shipping Boxes.

An H & D Package Engineer will be glad to place at your disposal the knowledge gained through a thorough and practical study of shipping and packaging methods.

Wagner Motors



Completely Enclosed
Underwriter Approved

Motors for filling-station pumps

To operate in an explosive atmosphere of gasoline vapor and air, such as may be encountered inside a filling station pump housing, a line of completely enclosed Wagner motors has been developed... from $\frac{1}{8}$ hp. to $\frac{1}{2}$ hp.

The motors are totally enclosed except at shaft ends, where a particularly close fit is maintained. End plates and through bolts are especially heavy.

Underwriters card for Class A service issued under reference number E-6646.

Twenty-four service stations, factory branches, distribute to Wagner dealers throughout the United States. Wagner builds all types of motors.

Literature upon request



MOTORS... Single-phase,
Polyphase and Fynn-Weichsel Motors
TRANSFORMERS... Power, Distribution
and Instrument
FANS... Desk, Wall and Ceiling types
WAGNER ELECTRIC CORPORATION
6400 Plymouth Ave., St. Louis, U.S.A.
91-1387-12

Quality Reaches the Farm

(Continued from page 40)

ed to own and operate power machinery, and therefore it has been assembled in a few places, with the workers brought together to be near the factory where the machinery is installed.

If the use of power machinery is the outstanding mark of a process which may be named "industry," then agriculture in Kansas is rapidly becoming industrialized, and to this extent rural life is being urbanized. In 1918 there were 5,415 tractors in the state. In 1926, a total of 31,170 were being operated on Kansas farms. Here we have during an eight-year period more than a thirty-one million dollar business transacted between the city and the country. People who own and operate big power machinery become different in their conception of the size of their business and in their social outlook.

Power Machinery on Farm

CONSIDER again the introduction of the big power-driven combine. In 1918 there were fourteen in the state, and it was an open question whether the machine would prove practicable under Kansas conditions. In fact, the question has been discussed more or less ever since; but with the net result that the number being operated in the harvest fields by 1922—only four years later—had risen to 2,796, and last summer approached the 12,000 mark. In 1926 there were, out of the one hundred and five counties of the state, only thirty-four counties in which combines were not operating.

Here is an eighteen-million-dollar business transacted with farmers in Kansas in eight years. Counting together these two types of big power machinery, the tractor and the combine, we have a total of about fifty million dollars paid from the soil to the city manufacturing plant which turns out farm power machinery.

Looking at it from another angle, in the last ten years Kansas has become a great agricultural industrial plant, operated by 43,000 power machines capitalized at fifty million dollars. By this means as well as by improved management the farmer has so increased his efficiency that the farm unit has enlarged, and the less well capitalized and less capable have gone out of business.

This has resulted in a decrease in the farm population. Some city people, even in Kansas, do not understand yet that the decrease in farm population really is the very best possible sign of increasing efficiency and a higher standard of living among farm people in the state.

The farmers of Kansas expended for gasoline at 20 cents a gallon \$2,310,000 for use on the farm in a given year. Add to this, oil and repairs, and this annual business introduced into the industry of agriculture in the last few years would run well up toward three million dollars. This is a tremendous contrast to the self-sufficiency days of the typical pioneer American farm of a few years ago.

Electricity has arrived on the Kansas farm. A study made in 1925 brought out that 900 farms were receiving service from electric transmission lines owned and operated by public service corporations. Many of these not only had electric lights, but ranges, washers, ironers, refrigerators, and every other electric device to make the home modern. On some of these farms there were electrically operated pumps, machine shops, silo cutters and other types of farm machinery. This all sounds very much like the discussion of a manufacturing industry. When farming begins to act like a manufacturing industry, it may well be expected to be placed in that class.

Another indication that the state is industrializing itself is found in the statistics with regard to manufacturing. In 1920 agricultural production aggregated \$882,000,000, while manufacturing outstripped it with \$913,000,000.

Henry Jackson Waters once said: "No greater good fortune could befall the farmers of this mid-western country than to have erected alongside their farms manufacturing enterprises which would give them a good local market."

These figures seem to indicate that just such good fortune is coming. Neither is the manufacturing centralized in a few congested industrial areas. There are about 1,000 rural towns in the state; that is, places of less than 2,500 population.

Within the last few weeks the writer has made a study of 111 of these towns chosen at random from the entire state. Seventy-one of them have manufacturing plants of some kind. These range from the one-man shop to the shop employing 100 workers. In these 71 towns there are 194 such manufacturing establishments.

A continuation of the study throughout the entire 1,000 towns doubtless will show the same percentage having these small manufacturing plants. The average of those already studied is one and three-fourths to each town.

"Rural" Manufacturing

AT THIS ratio with 63 per cent of the rural towns having manufacturing plants, there are probably 1,000 small manufacturing industries among the Kansas population listed as "rural," and by the uninformed considered agricultural.

The type of output of the rural manufacturers so far studied ranges all the way from toys, through auto-chains, garden tractors, pumps, picture frames, flour, butter, ice-cream, cheese, cabinet work, overalls, play-ground swings, brick and tile, reed baskets, brooms, tractor lights, candy, monuments, cement blocks, and auto-trailers.

A new picture of the average rural state is being thrown upon the screen. It is the picture of a progressive, industrialized, urbanized, successful farm people, making new demands upon the manufacturing world for commodities and services to meet a new standard of living.

ZINC PIGMENT* PAINTS

—for economy in the preservation of plant properties



LOWER PRODUCTION COSTS are dependent upon well trained and willing workers. Manufacturers have found the systematic painting of company houses arouses a pride in the home and a satisfaction with working and living conditions which prevent labor turnover.

Atmospheric conditions surrounding industrial plants necessitate, for economical plant painting, those qualities which are inherent in paints containing substantial proportions of Zinc Pigments.

ZINC PIGMENT* PAINTS

HOLD THEIR CLEAR COLOR

whether brilliantly white or tinted, because of the real and permanent whiteness of a zinc pigment base.

ARE DURABLE

because paint manufacturers scientifically select and combine the materials to give these paints greatest durability. Zinc pigments are vital ingredients of industrial paints.

COVER BETTER

for technical reasons generally recognized by those who know.

CAN BE QUICKLY and SAFELY APPLIED by the painting method best adapted to the particular job.

COST NO MORE IN THE BARREL than other less durable paints.

THERE IS A ZINC PIGMENT PAINT FOR EVERY PLANT PAINTING PURPOSE

★ Nationally used zinc pigments are The New Jersey Zinc Company's "XX" Zinc Oxide and "Albalith" Lithopone. Lithopone is a chemical combination of ZINC Sulphide and Barium Sulphate. It is one of the whitest pigments known, and contributes to smoothness of finish.



The New Jersey Zinc Company

Since 1848 Manufacturers of Pigments of Quality for Manufacturers of Quality Paints

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Please send me full information about the value of ZINC PIGMENTS IN PAINT

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N. J. 7-28

high-grade steam COAL CHEAP in Erie



POWER COSTS present no problem to the manufacturer who builds his plant or branch in Erie. Close proximity to the great Appalachian coal fields means favorable per-ton prices. And competing central stations insure low rates on power by wire.

Other Advantages Here. Erie also affords main-line rail service over four roads and low-cost water transport; big, rich markets in easy reach; 80% native-white labor; and favorable taxes.

Get All the Facts—Free. "5 Great Advantages" describes in detail the rare combination of factors helping Erie plants to prosper. Mail the coupon—or let our Industrial Board furnish survey applied to your own problems.

ERIE
PENNSYLVANIA

ERIE CHAMBER OF COMMERCE
Erie, Penna.

Date _____

Please send a copy of your booklet "5 Great Advantages."

Name _____

Firm _____

Address _____ N.B.—7-1

free

5

Great Advantages

When writing please mention Nation's Business

What Other Editors Think



Tombstone Epitaph
founded in 1880.
Humorous Title.

GREAT BRITAIN has been having its troubles with bureaucracy, government control and government regulation. Elsewhere in this issue of NATION'S BUSINESS Herbert N. Casson tells the story of the government mismanaged telegraph system. Now comes forward the *English Review* with some sharp comment on the collapse of the British rubber policy:

The Cabinet decision on rubber marks the inevitable end of one of the most foolish pieces of wanton interference by a government department with private business enterprise which even our age has had to endure.

That a position should be allowed to grow up in which a couple of civil servants can by an arbitrary decision depreciate the market values of the British investor's holdings in a great industry by some tens of millions is a damning commentary on our methods of government. It is particularly damning because the decision for "decontrol" was unquestionably right. The loss occasioned by it was simply the measure of the original error.

Once more we learn the same old lesson—that there is no compromise possible between public and private ownership. The Government, be it noted, only did in the first instance what the industry asked them to do; but by doing it they accepted a liability to British investors which the British taxpayer, rightly and inevitably, could never allow them to meet. Hence these tears.

The Government have merely taken their courage in both hands and cut someone else's loss. In doing so they have made the best of someone else's bad job. But the authority of Government reposes, like that of other institutions, on credit, and in an age which is at the best intolerant of authority these foolish excursions are likely to have widely damaging results.

Consumer Is Not Charged With Cost of Advertising

MARSHALING facts to support its argument, the *Ink Spot* exposes the popular fallacy that advertisers increase their prices to cover the amounts spent for publicity:

Almost everybody has very definite convictions about advertising, and one of them is the fallacy that the cost of advertising is passed on to the consumer.

If advertising is employed consistently and persistently—with due regard for the accepted standards of practice, it is not only self-supporting, but produces a steady flow of business.

For forty years the Waterman Pen Company have been consistent advertisers. Today they are spending in the neighborhood of a half million dollars annually.

Not one dollar of which has affected the cost of their product either to the consumer or to the merchants.

A large number of other national advertisers who have been established in business for more than a quarter of a century—such as Eastman, Victor, Ivory Soap, Cream of Wheat, Wrigley's Gum—all have been consistent and continuous advertisers.

Waterman, and all the others, in the face of rising costs of labor and materials, which enter into both product and its advertising, are today delivering a better product than they did several years ago.

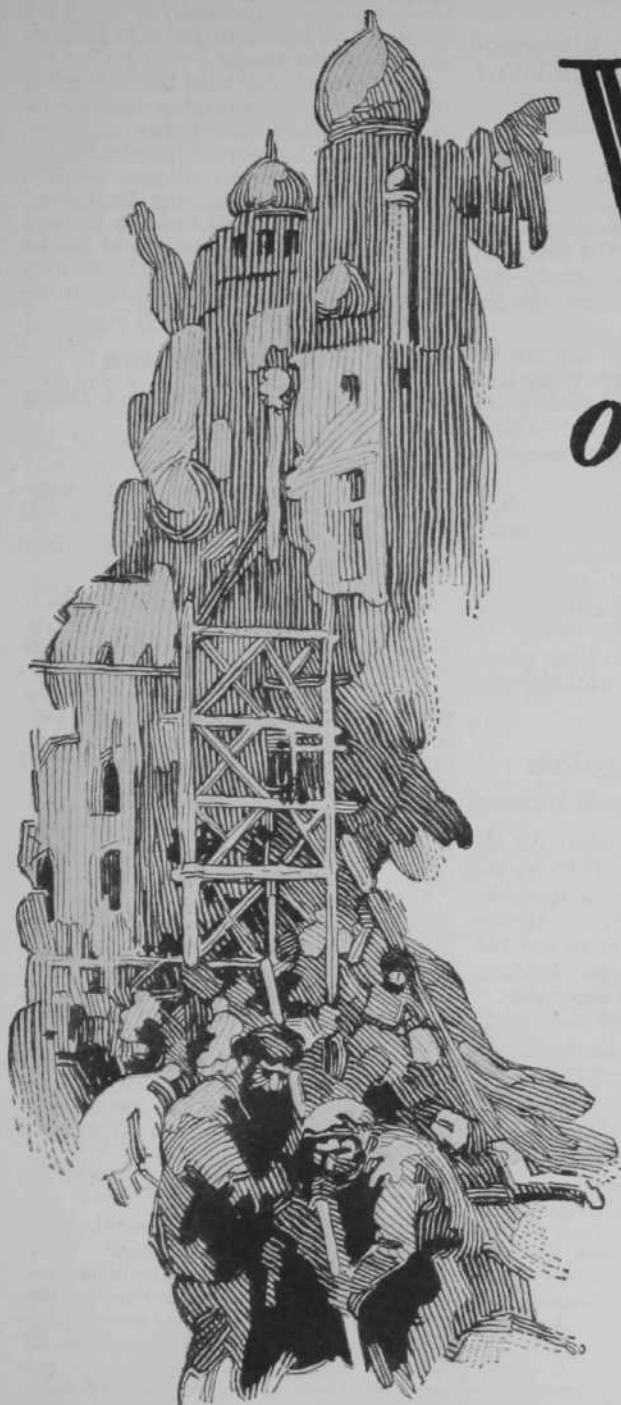
In none of these cases has the price of the product to the consumer been advanced; neither has advertising increased the price to the merchant or distributor.

Engineer Urges Complete Overhaul of Industries

THE abandonment of traditional manufacturing methods; the junking of machinery made obsolete by changes in the economic balance of capital, labor and materials; and the application of research to manufacturing processes, especially on the part of small companies, are urged upon American industries by C. P. Tolman, consulting engineer, of New York City, in an article in *Manufacturing Industries*.

Declaring that "research has been put on a pedestal and made something to be regarded with awe, to which near approach is forbidden to all save the 'priests' of science," Mr. Tolman advocates for every industry in America "a searching review of its manufacturing processes and equipment."

This self-analysis must be comprehensive, he says, not alone because of the great change in the ratio of capital to labor and materials which has come about since the World War, but because many new materials, methods and agents have come into use. These two developments have already caused revolutionary changes in some industries and will neces-



What was a man --- or a thousand men

Winter, bitter and cold, strode over the marshes. Peter the Tzar, the *Little Father*, was building himself a city. Tools there were almost none. In hordes, Russian, Kalmuck, Ukrainian and Tartar serfs scrabbled in the earth with their fingers, transported dirt and materials in aprons and sacks, and died under the overseers' knouts to the number of one hundred thousand.

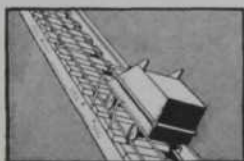
In contrast with that we offer you a picture of an industry in which the carrying is done by Bartlett-Snow conveying machinery. There the human drudgery of moving materials and products is gone. Each step in manufacture has its proper place in the continuous movement from raw material to finished merchandise. Confusion does not exist.

In the matter of expense, mechanical material handling and processing machinery has a tremendous advantage. It has helped many manufacturers find a solution to the problem of mounting production costs. If you will call on them, our engineers will gladly show you what can be done in your own plant.

THE C. O. BARTLETT & SNOW CO.
6500 Harvard Ave. Cleveland, Ohio

Bartlett - Snow

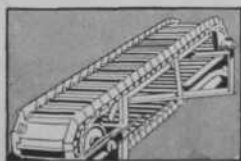
ELEVATING CONVEYING PROCESSING MACHINERY



SKIP HOISTS



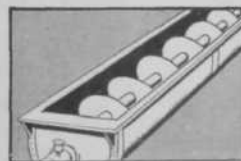
BUCKET CONVEYORS



APRON CONVEYORS



BELT CONVEYORS



SCREW CONVEYORS

NINE NET \$345,503.00

Nine firms—a packer, a box maker, two auto accessory manufacturers, a paint corporation, two paper mills, and two machine shops—saved \$345,503.00 due to simple changes in their routine method of operation.

Think what the average profit these nine enjoyed would mean to you in these days of profitless prosperity.

We can achieve such results because over sixteen years' experience enables us to locate the leaks and apply simple corrective measures which lead to real savings.

We do not feel we have been successful unless the actual results at least *double* the estimate.

Making a Profit,

is a book every executive should have. Copies are mailed on request. Write for yours now.

**L. V. ESTES
INCORPORATED**
INDUSTRIAL ENGINEERS

4753 Broadway
CHICAGO, ILLINOIS



When writing please mention Nation's Business

sitate radical readjustments in many others in the next few years.

The electrical, telephone, and automotive industries are exceptions, the author points out, because they have long made research the underlying factor of their businesses.

Assume a given machine or process to have been designed soundly in respect to the date of a generation ago, what is its present economic status? The first step is to learn whether—and how much—the basic factors have changed since the installation was made.

We find that today, while the cost of capital is the same or less, the other factors, largely on account of war-time activities, have changed radically. Labor and material costs have approximately doubled.

Because of this change in two of the basic factors, pre-war production methods and equipment are no longer in "economic balance." Thus manufacturing costs increased as the purchasing power of the dollar decreased. The margin of profit has to suffer, except in cases where it was possible to pass the additional cost along to the consumer.

Warning Voiced Against Public Ownership Schemes

PUBLIC ownership is looked up by many trade publication editors as the greatest menace to American business. They see in such projects as Muscle Shoals only political schemes to put the Government more and more into business in competition with private enterprise.

Chemical Markets exposes some fallacies in the Muscle Shoals enthusiasts' fertilizer plans, raising a doubt as to the real potentialities of the project for production of cheap nitrates.

It observes that

Many gentlemen in Congress appear to have the greatest difficulty in comprehending the meaning of two plain facts in connection with Muscle Shoals: first, that this plant is primarily a power enterprise and that it is fitted badly for the manufacture of fertilizers; second, that the American fertilizer industry on the whole has not been as profitable a business as it should have been if one-tenth of the stories current about how this wicked trust gouges the poor farmer were true.

The most casual conversation with both senators and representatives reveals astounding ignorance of technical developments in the air nitrogen field which have taken place since the Muscle Shoals project was undertaken. It is commonly believed among them that merely to turn the wheels of this great plant is to grind out at very low cost a completely balanced plant food especially adapted for the needs of the cotton states. Apparently they have never even heard of potash or phosphate. They seek nothing of freight rates on these raw materials, or else they believe—and this is a fact, not exaggeration—that these products are also to be produced at Muscle Shoals.

Such a misconception of the chemical situation at this potential power plant is, however, probably very much less dangerous in their consideration of this problem

than the possibility either that Muscle Shoals will be used politically or that it will in disgust be settled in any way that appears to aid the farmer.

Muscle Shoals has hung like a sword of Damocles over the struggling fertilizer industry ever since 1920. It has, moreover, had a serious, unfavorable effect upon the development of our air nitrogen industry, sound business and modern technology. To put the Government into the nitrogen business, subsidized by the sale of surplus power, would seriously threaten both of these branches of American chemical enterprises.

Muddle of Distribution Upsets Tea and Coffee

MUCH has been written about the waste in distribution, yet no sure means of getting at the source of the trouble has been discovered. The *Tea and Coffee Trade Journal* takes rather a pessimistic attitude:

A few years ago, the problem of the food manufacturer was how to lower production costs. How could his product be produced cheaper? His time was taken up with examining into factory economies. Little thought was given to distribution. That end of it was comparatively simple. Once through the factory, his package was sold to the wholesaler or direct to the retailer.

Now all is different—chaotically different, it seems. The chain grocery stores have cut deeply into the retail distribution.

In order to insure themselves of an outlet, certain coffee roasters and tea packers have become owners of chain stores. Importers have bought stock in chains, thus removing them from the open market.

Independent retailers are combining as far as buying goes. But lately a convention of retailer-owned wholesale grocers was held. Other groups of retailers are adopting a uniform name and store front—a chain store organization to all outward appearances.

Mergers in All Forms

THIS being an age of mergers, wholesale grocers are following the trend. Bitter competitors are coming together under one roof. Others are dropping all lines but two or three nationally advertised noncompetitive items and thus becoming commission houses. Some are changing to cash and carry wholesalers, even to the extent of running regular wagon routes. Still others are forming groups of retailers whom they take under their wings, dress their windows, and give special service in return for exclusive buying power.

In addition to all this, the five and ten cent stores are selling coffee and tea. The drug stores are doing the same, so are the restaurants, the lunch counters, etc. The wayside refreshment stands are increasing by leaps and bounds.

And so it goes. Production has been pretty well standardized. The problem now is not how to produce but how to market. The man who can successfully solve that problem for the manufacturer is cock of the roost.

Whither, as the school orator still says, are we drifting?

Will the channels of distribution straighten themselves out in a standardized fashion? And, if so, when? One man's guess seems as good as another's.

TO BE THERE—always among the things that represent the real values—is high tribute to the kind of service Generals give. Long mileage is a well known habit of Generals, and freedom from trouble is a feature of top quality that is worth much more than the few cents difference per tire it costs to obtain.



Built in Akron, Ohio, by the General Tire and Rubber Co.

The Mark
of Leading
Tire Stores
Everywhere

The **GENERAL** TIRE

—goes a long way to make friends

When buying GENERAL TIRES please mention Nation's Business to the dealer



Finish Interiors With Mechanical Perfection

Big Savings for Property Owners

Owners of Business Property Now Paint by Machine. Binks Equipment Reduces Maintenance Painting Costs 60% to 80%!

Once you own a Binks Portable Spray Painting Unit, you can keep your buildings bright, light and sanitary, you can refinish interiors and exteriors with machine-like speed and economy.

A Small Investment—A Big Return

Your maintenance man can do the work. An inexperienced man can quickly cover 1000 or more square feet per hour with the easy-to-operate Binks Spray Gun. Your furniture, and plant equipment too, can be refinished quickly and easily.

The Binks Spray Gun will apply any oil paint, lacquer, aluminum and graphite paints, etc. The work is mechanically even. Every crack, split or crevice is penetrated. One outfit does the work of 4 or 5 brushes and does a mechanically perfect job. Yet, the initial savings alone should pay for the equipment. Plants and buildings that defied painting due to cost, can now be brightened up at a remarkably low cost.

Money saving details and descriptions of Outfits covering a wide range of capacities and prices will be mailed upon request.

BINKS

SPRAY EQUIPMENT COMPANY

Dept. G, 3128 Carroll Ave., Chicago, Illinois

Branch Offices

New York—56 Warren St.
Detroit—4456 Cass Ave.
San Francisco—371 5th St.

Representatives in Principal Cities

The Spray Forces Paint into coarse surfaces, penetrates cracks; no brush can reach.



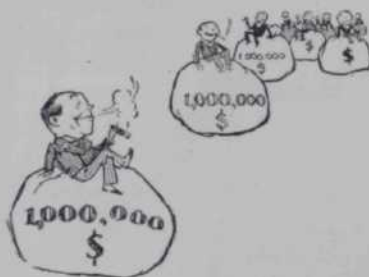
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CHIPS FROM THE EDITOR'S WORK BENCH

DULL, indeed, is the season that sees no new color produced and promoted to accelerate sales of wearing apparel. The very names of these fresh hues are perfumed with the romance of commerce. Exhibits to invite conclusion that color is the life of trade are offered by the National Knitted Outerwear Association's selections for fall and winter use. In immediate prospect to captivate the eye are "Deauville sand," "silverpine," "Burmese ruby," "pâté shell," "Tommy red," and "English violet."

Along with the esthetics of color, its effects on the moods of the wearer are under observation by specialists. This study is predicated on belief that colors have vibration comparable to vibration in music. The basic idea is that every person has a keynote sound, and a keynote of color. It seems apparent enough that people who continually see red should be toned down several shades. Possibly some personalities will give trouble, but it should be no trick to fit "Independence blue" to the traditional vibrations of Fourth of July spellbinders.

IT must be true that America is the land of golden opportunity. Nowhere else are so many men "easily worth a million."



FEW business men are likely to take issue with a Columbia University professor's appraisal of distribution as "the most important problem." No great novelty is to be expected from attempts to re-define all the factors that affect the flow of goods from the producer to the consumer. It is in Columbia's announced purpose to establish an "Institute of Distribution" that helpful progress is promised.

This academic innovation is to be operated by the School of Business, and will provide a center for the development of principles and practices in behalf of scientific distribution. Here is a job as comprehensive as business itself, for, as Professor James C. Egbert sees it, "the facts of the situation are overcapacity in production, enormous recent advances in the technique of production, sharpened com-

petition both at home and abroad, a consuming public exercising choice as never before, the anomaly in American history of a high degree of general prosperity at a time of general falling prices, and the urgent need to keep industry going, labor employed, and general prosperity extended."

When the need for a better focus of business intelligence is more widely recognized, it will be readily apparent that out of the dark means "out of the red."



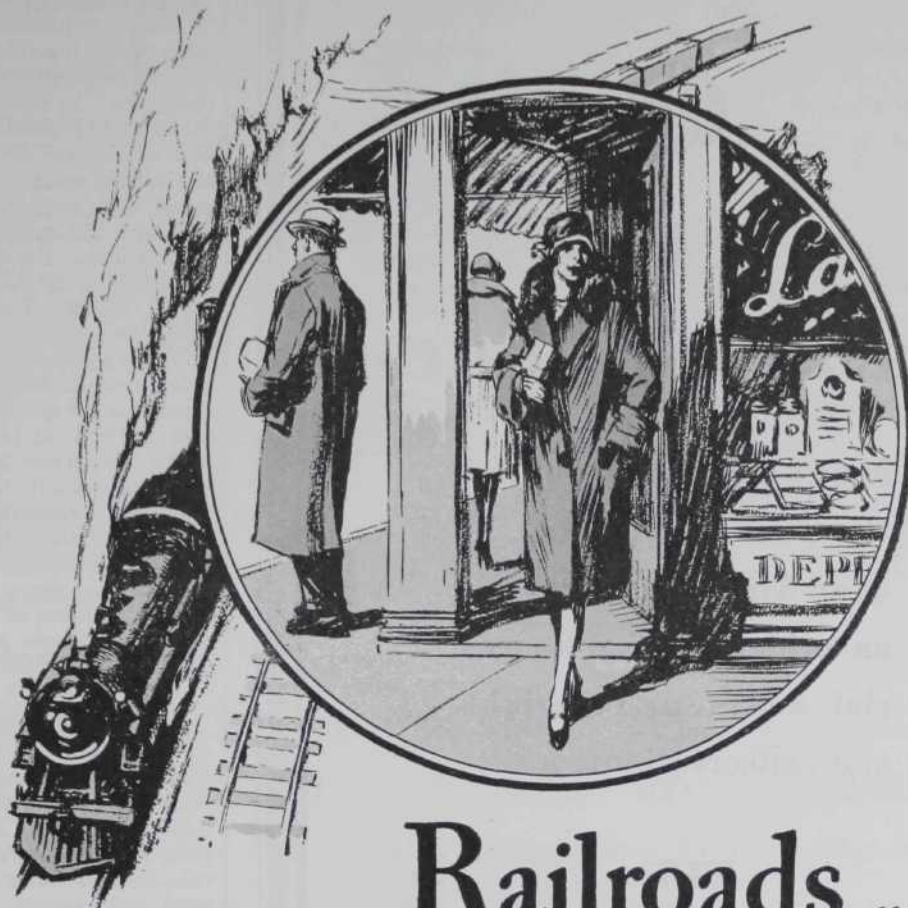
OLD trades continue to find new answers to the query, "what's in a name?" Now, the barbers by associational decision have fixed on "chirotonsor" for title of the craft. Reason for the change is given by Louis McIlvaine, general secretary of the National Association of Master Barbers. "Chirotonsor is the general name of the profession," he said, "just as the name physician may cover specialists in many fields." All the beauty parlor operators, hairdressers and complexion specialists, as well as the barbers, may be known as chirotonsors.

Bobbers, barbers, and clay compacters all labeled alike. Even the barber pole is going out of fashion. Once it signified that the barber was an expert in blood letting, and thus advertised the medical aspect of his business. When the barber gave up blood letting by intention, he grew away from the use of the pole.

This revision by the traditional caretaker of one extremity has inspired no emulation among the accepted attendants of the other. G. Stavarakas, president of the Bootblacks Protective Union, Chicago, tells why. "What's a bootblack?" Mr. Stavarakas asks rhetorically, and then proceeds to answer himself. "Why, a shoe shiner, a shine boy, and a bootblack. Bootblack is the name of an aged and honorable profession, which dates back to the time of the pharaohs of Egypt, and bootblack it stays."

Radiant though that judgment may be with rugged independence and pride in work, "bootblack" does seem a rather drab promise of service in this age of pep, punch, and promotion. "Saboteur" has been proposed, but it is in no great favor. Certainly it is long enough to put a higher polish on our foot consciousness, and that

WESTINGHOUSE SERVES EVERYWHERE



Railroads *extend factory doors to corner stores*

You find the things you want at the corner store—toothpaste or laundry soap, a paper of pins or a can of pineapple; railroads have put them just around the corner from where you live.

By rapid freight transportation, the railroads of the nation have made every corner store the door of a thousand factories. As a result, manufactured goods have replaced home-made goods, living costs are lowered, lives are made easier and happier and more useful.

Through increased operating efficiency, railroads are constantly cutting the time

required for shipment from factory to point of distribution. Reliable delivery is now made on a week to ten-day schedule. Quicker shipments mean lower stocks carried by corner stores, lower costs for merchants, lower prices to the people.

✓ ✓ ✓

Westinghouse has always been identified with modern transportation. A leader in railroad electrification, this company has made possible new efficiencies in handling terminal freight traffic. Electric power and light put by Westinghouse in railroad shops have added to railroad efficiency by lowering operating and maintenance costs.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY
OFFICES IN ALL PRINCIPAL CITIES / / REPRESENTATIVES EVERYWHERE

Westinghouse





A Character Witness

Many bankers regard
the possession and use
of an American Appraisal
as evidence of manage-
rial acumen, foresight
and conservatism.

THE
AMERICAN APPRAISAL
COMPANY

A NATIONAL ORGANIZATION

is most desirable, as the advertising of shoe manufacturers all reminds us.

THE fact that Northwestern University is to provide a course in business ethics through its School of Commerce is, of course, susceptible to a variety of interpretations. In two aspects of this innovation there is notable distinction. Inclusion of the subject proceeds from the motivating realization that an adequate moral sense must be developed to keep pace with the technical advances in business methods. For expounding this belief is the fund of \$25,000 given by the daughter of William Vawter, of St. Joseph, Michigan.

By her generous action, a part of a fortune made in business will be usefully applied to the ethical education of young men inclined to business careers. An earlier faith in business is re-invested, and it is unthinkable that it will not pay enormous dividends in the decisive intangibles of character and good repute. Intelligently conceived, this lectureship promises to widen recognition of the social obligations of business—a purpose which is nowhere more actively served than by the business community itself.

ACCORDING to the Bureau of Public Roads, the total automobile registration last year amounted to 23,127,315 vehicles—or one motor vehicle for every 5.13 persons, the Bureau says. If one guess is as good as another in explaining that decimal fraction, perhaps it represents the overflow of anatomies transported in rumble seats.

A GOOD deal of evidence is in hand to show that "hot dogs" are all things to all men. To the Madison Square Garden Corporation these roseate capsules must seem veritable golden links in a chain of fortuitous circumstances. For

ANY ARTICLE in this or any other issue of NATION'S BUSINESS will be reprinted at your request for distribution among friends, business associates, employes and others.

These reprints, in attractive and highly readable form, are furnished at cost, plus postal charges.

Fill in and return the coupon below and we will quote you cost prices in any quantity.

NATION'S BUSINESS, U. S. Chamber of Commerce, Washington, D. C.

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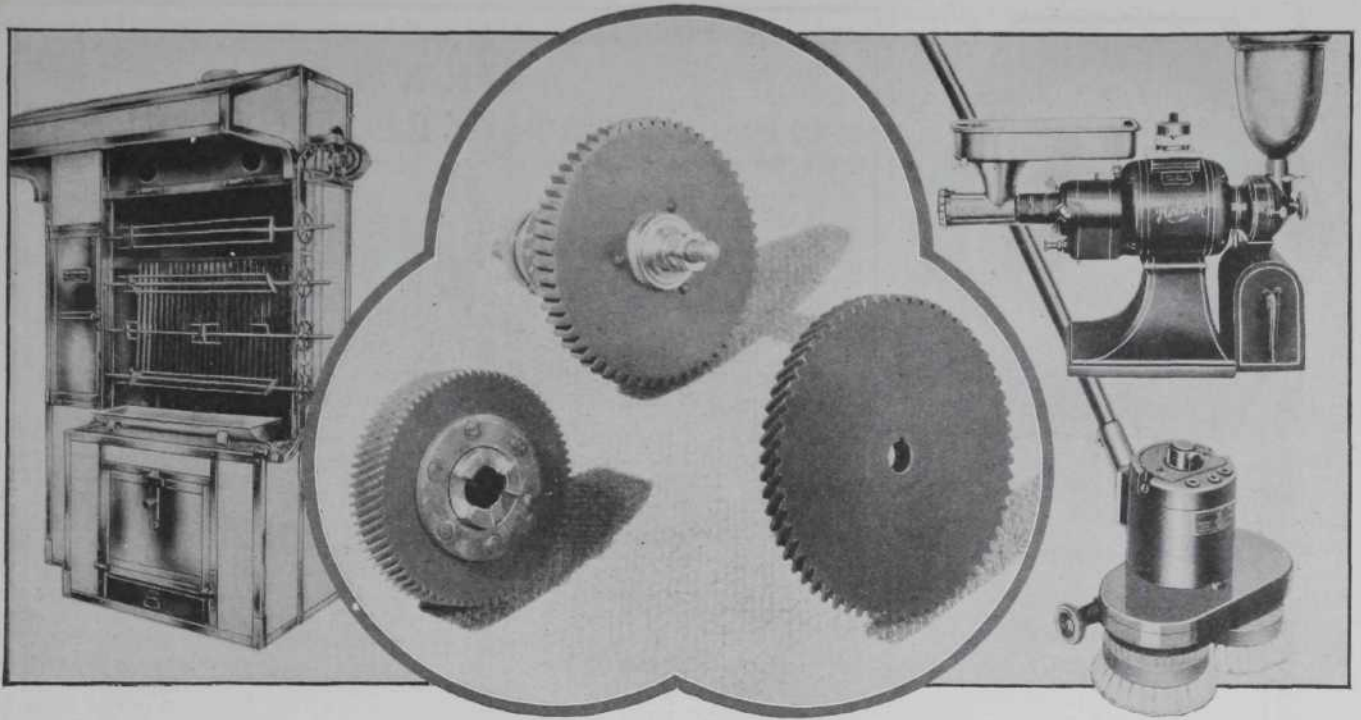
ADDRESS.....



the interest and amortization charges on a \$2,000,000 loan from the Mutual Life Insurance Company is to be paid in considerable part from the sale of sausages.

On the success of this large financial operation may rest the business standing of the wiener. Of course, big wieners that have arrived at the bond retirement age will have a definite position, but junior wieners on the way up must still look for other bonds to conquer. Possibly the corporation will see fit to emblazon the vendors with some such motto as "canis vincit." More likely, the beneficiaries of the garden variety of frankfurter will see no shame in exclaiming with the rest of the populace, "hot dog!"

R. C. W.



Rotisserie Range, Holwick Chopper and Lincoln Scrubber—all equipped with Bakelite Laminated Gears.

When operating under these trying conditions Bakelite Laminated Gears are successful

BECAUSE of their strength, resistance to wear, freedom from distortion and silent operation, Bakelite Laminated Gears have been widely adopted for all sorts of electrically driven appliances and machines.

In the three pictured above, a Rotisserie Range, a combined Coffee Mill and Meat Chopper, and an electric Floor Scrubber, Bakelite Laminated Gears are operating with complete success under a variety of difficult conditions.

In the case of the Rotisserie Range a Bakelite Laminated worm gear drives the sprocket chain which turns the spits. Notwithstanding the proximity of the heating element, the gear works smoothly, silently, steadily—unaffected by the tem-

perature—hour after hour—day in and day out.

Different, but equally exacting, service is performed by the gear in the Meat Chopper. Under test the Bakelite Laminated Gears used in this machine operated in oil for 100 hours, under brake load, at 1750 R.P.M. and there was no discernible wear. This test was equivalent to one year's service.

In Floor Scrubbing Machines the gears are necessarily exposed to dampness. Through the use of Bakelite Laminated Gears in the Lincoln Scrubbers, warpage was eliminated and a more smooth and quiet operating unit obtained. The service record has been remarkable. These gears have been in use over 18 months and not a single one has gone bad.

Bakelite Engineering Service

Intimate knowledge of thousands of varied applications of Bakelite Materials combined with eighteen years' experience in the development of phenol resinoids for industrial uses provides a valuable background for the co-operation offered by our engineers and research laboratories. Write for Booklet No. 42, "Bakelite Molded".

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THE MATERIAL OF A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital 'B' is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."

When writing to BAKELITE CORPORATION please mention Nation's Business



*Have you ever
heard anyone
ask for a better
golf ball
than a*

DUNLOP

?



\$1

THE

**IMPORTED BLACK
DUNLOP**

NEWS OF ORGANIZED BUSINESS



Philadelphia Chamber of Commerce, founded 1801

Too Many Activities

PROPERLY ORGANIZED, A chamber of commerce should consider the half-formulated and well meaning plans of individuals and reach an agreement as to their value and relative importance. Out of this will come a well rounded program that may receive public approval and support, Organization Service of the National Chamber recently pointed out.

Individuals and groups have more or less decided ideas as to what should take first place on the chamber's program. The temptation is ever present to adopt a program based on desires expressed rather than on ascertained needs.

Within recent years a number of chambers of commerce have placed a general manager over the secretary, or else they have employed specialists in certain activities, making them more or less independent of the secretary. It is not unlikely that this is partly due to the fact that secretaries, in their desire to meet all and sundry demands, undertake to do so much that they fail to satisfy anybody.

No plant whose equipment was limited in capacity to a certain output would attempt to increase the output without increasing equipment, and yet chambers of commerce attempt it. As chief administrative officer of the chamber, the secretary is in a position to advise against an overload and to give sound reasons for so advising. Last year two experienced chamber of commerce men were asked to state what they considered their relationship to the board of directors to be. Here are their answers:

"Being trained in method of chamber of commerce procedure and having a board whose personnel changes and is composed of men unfamiliar with best organization practice, it is the duty of the secretary to advise the board on such matters even to the extent of trying to influence their action. Also, he should keep the board advised of the public attitude toward activities undertaken or proposed, so far as he has been able to ascertain it."

"No matter how many committees there may be the secretary is chief fact finder. The board expects him to be informed and looks to him for information on every step of its procedure. He is not only an advisor on procedure, but should be consulted on policy as well, and should be prepared to give reasons why he considers a policy unsound. Being charged with carrying out the decisions of the board he must not

hesitate to express a sound opinion concerning all matters being considered."

This being the relation of the secretary to his board, he is in position to keep it from overloading the staff through an undue increase in activities. As he is chief fact finder to all committees, he is in a position to influence the number of committees appointed. He has a telling argument in the size of his staff. Activities must be undertaken with the size of the staff in mind, and to do effective work in the general chamber of commerce field, officers, directors and committees must be made to understand that they are to function in their field as the secretary and staff functions in its field. The chamber of commerce is an organization, and every cog in the wheel must do the work assigned it. This, the secretary is in a position to impress upon the president and the board.

Do You Know Your Costs?

MORE THAN EVER before manufacturers who are taking part in the advancement of their industries through collective study of common problems are realizing the importance of development and use of uniform methods of cost accounting.

"You don't know your costs" shouted one executive at a meeting of an industry. He proved it by getting the manufacturers to submit their costs. The highest cost averaged more than 100 per cent in excess of the lowest. No wonder this industry was suffering from the effects of price making without an adequate knowledge of costs.

Each industry has its peculiar problems. Shipbuilders, cotton finishers, stove manufacturers and pickle packers all have distinct problems, but executives are rapidly coming to the conclusion that they have much to gain and nothing to lose through the study by their accountants of the peculiar problems of cost accounting procedure presented by their industries.

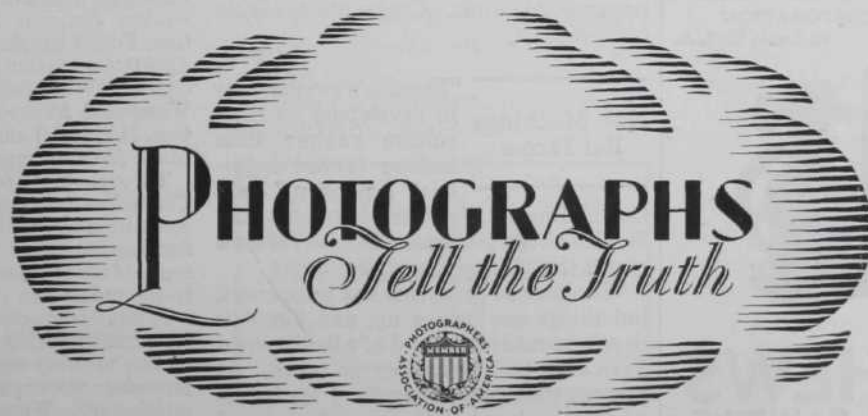
Recently the cotton textile industry created a new agency, the Cotton Textile Institute, to study the problems of that great industry. An editor of *Textile World* made a trip through the South to interview cotton mill manufacturers to secure their reactions toward the newly organized Institute. Then he drew up a list of the preferred activities. He says:

"This was our first surprise. The best



A

PHOTOGRAPH is *reality* put on paper. Whether you are selling houses or hosiery, soup or suspenders, a photograph carries conviction. They may admire art, but they *believe* photography. Let the camera tell your sales story. Your local commercial photographer will gladly assist you. You will find his suggestions decidedly helpful.



INTERNATIONAL

Clean with

COMPARE Oakite cleaning with other practices on a performance basis and you will realize how important it is to your production that you clean efficiently. Then figure the difference in total cost and you will realize also how important it is to your pocketbook that you clean economically.

Booklets and full details on request.

Oakite Service Men, cleaning specialists, are located in the leading industrial centers of the United States and Canada.

Manufactured only by
OAKITE PRODUCTS, INC.
94A Thames St. New York, N.Y.

OAKITE

Industrial Cleaning Materials and Methods

Simply plug in to your light socket and PAINT

The No. 290 Matthews Mechanical Painting Equipment is a complete, high quality, portable painting machine of handy size made up of electric motor, compressor, air supply tank, material container, and material lines and the well-known Type L Matthews Gun. Two men can lift this unit with ease, and the entire equipment can pass through a space 14 inches wide.



NEW LOW PRICE

Send for complete information and low price. This is the ideal machine for maintenance painting, product finishing and refinishing work. Equipped with a muffler that makes it practically noiseless when in operation. Write to

W. N. MATTHEWS CORPORATION

3758 Forest Park Blvd.

St. Louis, U. S. A.



MATTHEWS MECHANICAL PAINTING EQUIPMENT

When writing please mention Nation's Business

opinion in the South as we encountered it recognizes as the first need of the cotton industry a uniform basis of cost determination. Knowing as they do the excess of production over consumption which has developed cut-throat competition, these men feel nevertheless that most of the uneconomic prices made in recent years have been due to lack of knowledge rather than to intent. They believe that many mills have injected depreciated quotations into the market because they were basing their estimates on faulty mathematics. They are confident that these prices have been figured on a percentage of machinery operation far at variance with actual practice. This is not a new thought,—it has been emphasized before. However, it is interesting to note that leaders in the industry recognize the need of a standard cost basis as one of the outstanding prerequisites for business sanity."

What better evidence could be presented of the importance of uniform cost accounting? The Department of Manufacture of the National Chamber has kept in close contact with the movements set up by trade associations and is prepared to convey information upon methods of organization and the conduct of these activities. Inquiry is invited.

New Air Route Opened

from New York to New Orleans, serving also intermediate cities.

THE NEW ORLEANS Chamber of Commerce announces the opening of Contract Air Mail No. 23. This line runs

The Cost of Sickness

LARGE SAVINGS DUE TO illness-prevention work are reported in a publication, *Industrial Health Service No. 4* of the Insurance Department of the National Chamber.

One store averaging 4,000 employees showed in one year an estimated saving in wages and compensation alone of \$29,094. The cost of medical supervision varies, but a number of studies estimate it at around \$5 annually for each employee. One manufacturer found that it paid him to spend \$20 to \$25 to give the most complete and effective service.

The pamphlet goes into the scope of industrial health activities and the opportunities for chambers of commerce to promote this work. Copies are available upon request.

Not Machines But Farms

"FLORIDA'S FUTURE LIES in developing its agriculture rather than looking toward industrial expansion," said Colvin Brown, Manager of Organization Service of the National Chamber, after a recent trip through the state.

"Business at present is not prosperous, but things are looking up, and Florida's development is far ahead of what it would have been had there been no boom. At present there is a hue and cry for industrial expansion, but the more far-sighted citizens are realizing that the real basis for prosperity is in the development of agriculture and the tourist trade.

"Port Everglades was one of the most interesting things I have seen. Florida is going to build up a big trade in early vegetables and fruits. The land is fertile and with the development of transportation facilities and the draining of much swamp land it can be used to good advantage.

"Industry will come, but it will be local. Retired business men who go there will want something to occupy their time. They will start small enterprises which utilize local raw materials. In such a way will industry come, and the state will strike a proper balance between agriculture and industry."

Municipal Problems

FIVE YEARS AGO, five men met and evolved an idea. These men were the secretaries of five Detroit associations. Their idea was that the best way to help Detroit was to form a city-wide committee representative of as many organizations as desired to affiliate. The work is now beyond the experimental stage. But let Charles E. Boyd, Assistant Secretary of the Detroit Board of Commerce and Secretary of the Governmental Committee, tell the story:

The Detroit Board of Commerce agreed to undertake the organization of such a committee and its Board of Directors appointed Louis J. Flint, who was the president of the Detroit Council of Service Clubs, as the chairman of the proposed group which was given the name of the Governmental Committee. Invitations were sent out to all organizations in the city that were assumed to be interested in the contemplated program of the new committee. At the first meeting of the group on January 15, 1924, twelve organizations were represented. Four years later, on January 15, 1928, the following organizations were active in the work of the committee:

The Building Employers, Technical Societies, Board of Commerce, Business Property Owners Association, Central Detroit Commercial Club, Citizens' Committee, Association of Credit Men, Automobile Club, Auto Dealers Association, Bureau of Governmental Research, Citizens League, Engineering Society, Real Estate Board, Retail Druggists Association, Employers Association, Fire Prevention Committee, Jefferson Avenue Improvement Association, Michigan Manufacturers Association, Milwaukee Junction Manufacturers Association, Postal Employees Council, Purchasing Agents Association, Retail Merchants Association, Wholesale Merchants Bureau, Woodward Avenue Improvement Association, Michigan Laundry Owners Association, Mack Avenue Improvement Association.

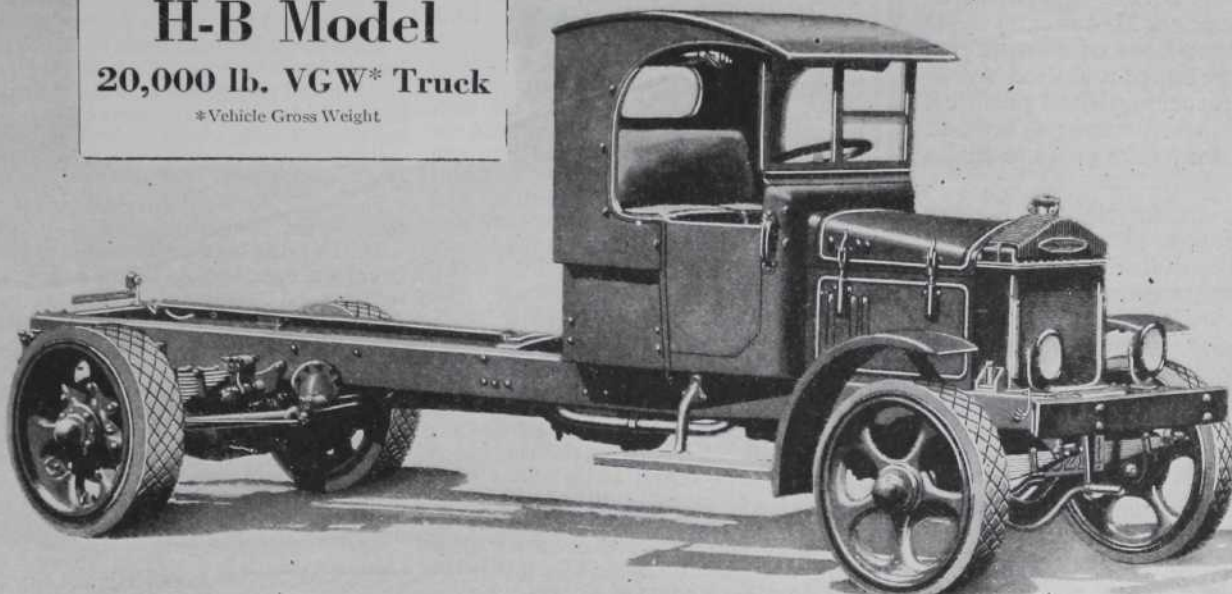
Through these four years, the Board of Commerce has continued to sponsor the committee by furnishing it with a secretary and bearing all of its expenses. Meetings are held nearly every Tuesday and are open to the public and press at all times.

It was early agreed that no action of the Governmental Committee would be binding on any member organization. The plan of procedure worked out has proven mutually satisfactory. When any controversial subject is before the group, a subcommittee is usually appointed to review the entire matter and make recommendations which are discussed by the entire committee and ac-

IT'S HERE... THE NEW PIERCE-ARROW

H-B Model 20,000 lb. VGW* Truck

*Vehicle Gross Weight



7 SPEEDS
FORWARD
2 SPEEDS
REVERSE

Hauls a 5-ton pay load legally on any highway

Multispeed Transmission

World-famous Pierce-Arrow dual-valve, dual-ignition engine gives 25 per cent more power, uses 25 per cent less gasoline

A new day in transportation requirements... a new day in highway restrictions... a new Pierce-Arrow truck for these needs of today.

Stauncher, but lighter in weight, it hauls with speed a 5-ton load—and conforms with the 20,000-pound Vehicle Gross Weight laws effective in many states.

Its Multispeed Transmission has a high range of speeds for fast, economical running on smooth

stretches; a low range with tremendous reserve power for forging through "heavy going" or for pulling out of deep excavations.

Its power plant is the famous Dual-Valve, Dual-Ignition Pierce-Arrow engine. It develops 25 per cent more power—and saves 25 per cent in fuel.

Its worm gear drive, pioneered 17 years ago by Pierce-Arrow, operates

13' 6" Wheelbase, \$4500
15' Wheelbase, 4550
16' 6" Wheelbase, 4600

For chassis only, at Buffalo

Pierce-Arrow trucks may be purchased, if desired, under attractive financing arrangements.

silently in a bath of clean oil. It is designed to deliver 100,000 to 200,000 miles of efficient, trouble-free service.

Drivers like its easy steering, its ability to turn short.

Built like all Pierce-Arrow trucks have been built—to yield 12, 15 and even 17 years of service, the new H-B model carries more loads with fewer idle hours and with greater profit than any previous Pierce-Arrow heavy duty truck.

The Pierce-Arrow distributor in your locality will prove this. Ask him about it.



A
100,000 MILE
WORM DRIVE

Commercial Car Division, THE PIERCE-ARROW MOTOR CAR COMPANY, Buffalo, N. Y.

A Fire in Your Plant

would mean more than its physical loss—regardless of insurance. Fire means these things: Loss of customers; scattering of a skilled working force; vanished profit on unfinished work; a setback that may take years to make up.

Every far-sighted factory executive gives fire protection a definite place in his safety program. Each factory has its special fire risks. Pyrene Manufacturing Co. supplies America's industries with all types of fire equipment—suitable for every hazard.

Have the Protection
Afforded by

IMPROVED
Pyrene
TRADE MARK
FIRE
EXTINGUISHERS

Approved by
Underwriters'
Laboratories,
Inc.



Approved by
Associated
Factory
Mutuals

The Pyrene pint, quart, 1½-quart and 2-gallon fire extinguishers are but four units of the big Pyrene family of fire equipment, which also includes 2½-gallon Guardene (Soda-Acid), 2½-gallon Phomene (Foam Type), 10 and 40-gallon Phomene extinguishers on wheels and Phomene Accumulator foam making units.

(A type for every hazard)

PYRENE MFG. CO.
NEWARK, NEW JERSEY

Branches: Atlanta Chicago Kansas City
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Pyrene Fire Equipment is sold through
Auto Accessory, Hardware and Mill
Supply jobbers and dealers.

Write for free copy of folder,
"Those Who Refuse To Pay."

Manufacturers of Fire Equipment since 1907

cepted or rejected. These in turn are sent by the secretary to all of the organizations which are members of the group and they are asked to consider them and to take such action as they desire, reporting their decision to the secretary of the Governmental Committee. Thus the secretary at all times is the clearing house for the action of every group, permitting united action where desired, and yet no one organization is placed in an embarrassing position by having some other committee putting it on record on any question.

Studying City Government

The committee first undertook a study of the City Budget. Each member organization was assigned a particular department of the city government for study. The recommendations of the various member groups finally covered the entire budget and were combined into one document. The committee then met with the mayor and the common council and made a number of definite recommendations regarding specific parts of the budget which in all cases looked toward the securing of 100 per cent value for every dollar of the taxpayer's money that was to be spent.

The idea of business men being interested in a constructive way in the affairs of their own city met with a hearty response from the city officials and they did all in their power to be of service to the committee men. John C. Lodge, at that time president of the common council and now mayor of the city, said in a public statement, "In my entire memory, covering in all about thirty-five years of public life, this is the first time that a group of citizens has come before the common council and has not advised the adding of some pet project to the city budget."

"In my opinion, the work of the Governmental Committee is the greatest thing ever undertaken by the Detroit Board of Commerce."

The committee next undertook a study of the congested condition of local municipal courts where all major and minor violations of traffic ordinances were being heard in addition to all criminal cases. The hearing of these traffic cases had been taking up the entire time of one judge and frequently, much of the time of a second judge. A plan was worked out whereby 97 per cent of the traffic violations were transferred to a newly created Violations Bureau of the police department, the plans for which were worked out by the committee.

A similar procedure for all minor violations of city ordinances will probably be recommended in the near future. In this work the committee has received almost 100 per cent support from all the newspapers and departments of the city government.

As a result of the work on the budget, the committee recommended the establishment of a budget bureau with a budget director in charge. This has been set up. The committee, though, has continued to make an annual study of the budget.

Among the other subjects with which the committee has dealt are: The house of correction and the financial conditions of its industries, eliminating duplication in the cost of collecting city, county and state taxes in Detroit, street cleaning, condemnation and assessment of property and the civil service.

At no time has the committee entered

into any political campaign for individual candidates but it did take an active part in opposing a proposal for a state income tax.

In all of the activities of the Governmental Committee, there has been no thought of criticism directed against any city officials for what has already happened. The group does not propose to find fault with past events. Rather it proposes to deal in the present and future and work for the general improvement of all matters pertaining to the city.

As soon as the officials of the municipality have learned of the real purpose of the committee, they have invariably opened the doors of their respective departments and welcomed the proffered cooperation.

No attempt has been made to take credit for accomplishments where acknowledgment should go elsewhere. Thus jealousies have been avoided. The mere existence of the committee has been a check on many activities that might otherwise have proven undesirable.

The positive accomplishments have proved to be of unmeasurable value.

The fact that the representatives of twenty or more organizations have regularly met together and discussed their common problems and considered matters pertinent to the growth of the city has created the finest possible working relationships on the part of all concerned. Incidentally, the education the business men themselves have received as to the problems of city officials, has done much to bring about a more sympathetic attitude on the part of all concerned with the business of running a municipality.

Occupational Diseases

AFTER half a century of experience and progress in the protection of workers' health and the safeguarding of their interests, it would seem that industrial legislation ought to have attained a fair degree of excellence. This is not true, however, for the subject is endless.

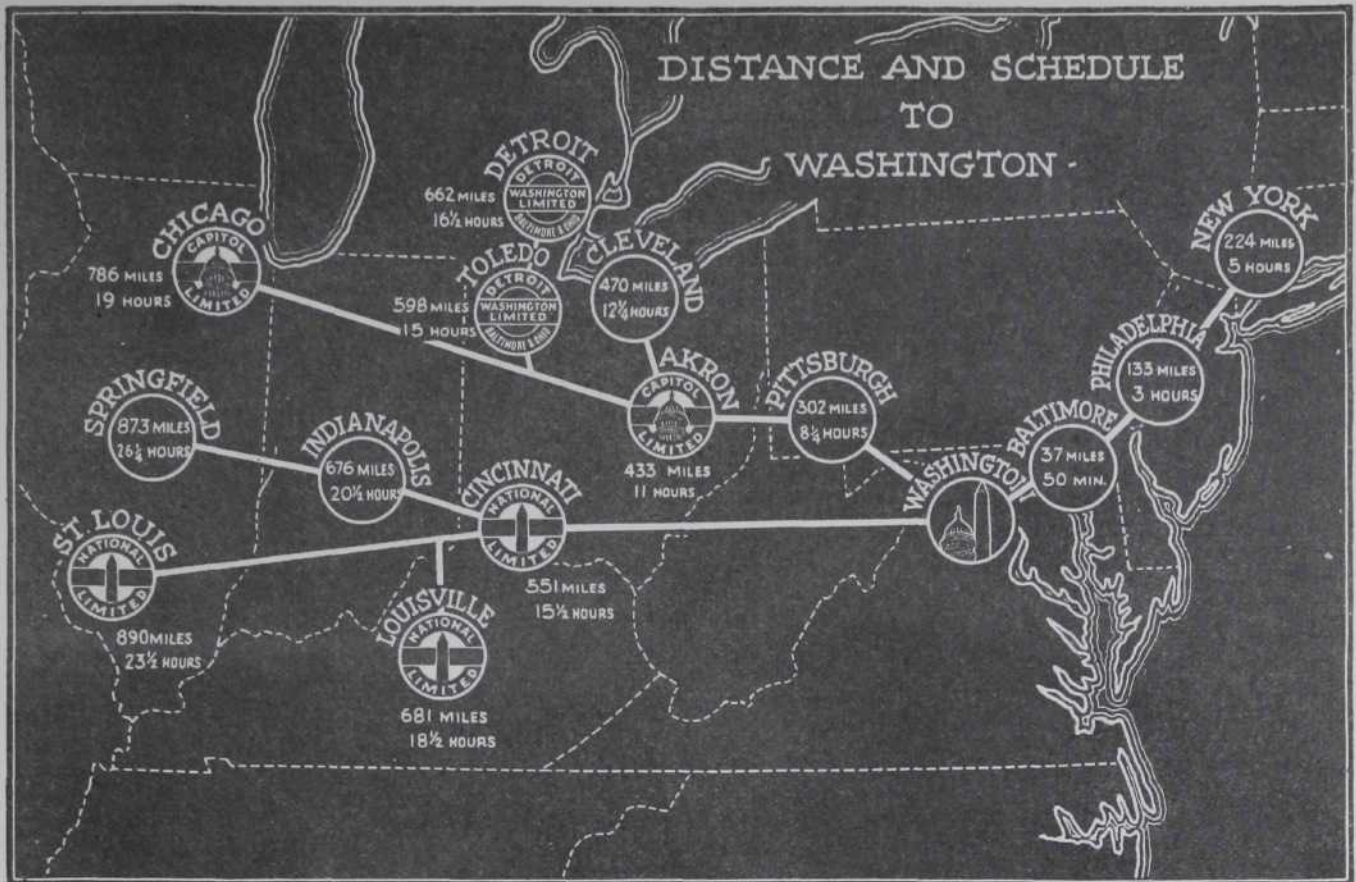
Each decade brings new problems. An important one now is the tendency to liberalize the construction and application of occupational disease provisions of compensation laws to such an extent that the law becomes in effect a broad compulsory health insurance. It is a problem which requires the attention of the best minds to eliminate the practical difficulties and to encourage legislation that is fair and just to all.

"Insurance Bulletin No. 33—Occupational Diseases" goes into the whole question. It is published by the Insurance Department of the National Chamber and is available upon request.

Developing Markets

TO ASSIST SMALLER concerns in developing, extending and maintaining their markets is the aim of the Marketing Commission of Indianapolis, recently appointed by President Miller of the Indianapolis Chamber.

A survey form has been drawn up. Data are collected on products, suppliers, markets, specific problems encountered, transportation methods, financing and employment. Various methods are used in developing the markets for local



Adequate railroad transportation—of passengers and freight—is the greatest single factor in the prosperity of the community. To more than 1,000 cities and towns, The Baltimore & Ohio expresses the "will to please" with service in step with the public need.

AFTER A FULL CENTURY OF TRANSPORTATION SERVICE

America's First Railroad, having completed a full century of operation, now serves more than one thousand cities and towns on its five thousand miles of line with direct and dependable connections at Chicago and St. Louis for all points in the West, Southwest and Northwest.

It would not be difficult to rearrange Baltimore & Ohio schedules to offer shorter running time between cities on our lines—

But, to the Baltimore & Ohio, a schedule is a promise of performance

that must be dependably maintained where it is within our power to do so. Safety, Comfort and Dependability must ever go hand in hand.

Safety and comfort are provided by modern equipment and special features, while established "on-time" records are outstanding examples of Baltimore & Ohio dependability.

The only railroad providing motor coach train connection terminal service to and from trainside and three stations in Greater New York.

Baltimore & Ohio

THE ONLY LINE BETWEEN THE EAST AND THE WEST PASSING DIRECTLY THROUGH WASHINGTON. LIBERAL STOP-OVERS.

For Beautiful Lawns and Luxuriant Turf—

THE Toro Park Special represents a distinct improvement over the older type of power lawn mowers. Perfectly balanced, with extreme ease of operation and every working part accessible and easily understood, it sets a new standard in the power lawn mower field.

Illustrated catalog will be sent on request. Over 2000 Private Estates and Country Clubs are regular users of TORO Grass Cutting and Maintenance Equipment. Ask the Greenskeeper at your club.

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Minneapolis, Minn.
Agencies and service
stations conveniently
available in all of
the larger distribu-
tion centers.



TORO Park Special

JOHN HANCOCK SERIES

WIVES of BUSINESS MEN

THE difference between office and household economy often causes astonishment and confusion to business men. Their wives mean well, but as for method—!

The household budget is the answer. We have sent thousands of our budget sheets to wives who have attacked this problem.

To business men who care about ordered and reasonable expenditure and saving—that is, the introduction of business methods into the home—we recommend the John Hancock Home Budget Sheet.

Your local John Hancock office will be glad to send you a copy, or one can be obtained by writing to

INQUIRY BUREAU

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 CLARENDON STREET, BOSTON

\$2,764,000,000 Insurance in Force.

If your policy bears the name John Hancock it is safe and secure in every way.

N.B.

SIXTY-FIFTH YEAR OF BUSINESS

products. The plan is to give the smaller concerns in Indianapolis somewhat the same type of service as the larger corporations do for themselves.

New Building Dedicated

EVIDENCE of the permanence of the chamber of commerce as a part of American life: Among the local organizations which have recently dedicated new buildings are the Fort Wayne, Cincinnati, Indianapolis, and Joliet Chambers of Commerce.

The Fort Wayne building which was dedicated last March is designed to house the activities of the local chamber and the Woman's Club and also to provide club facilities to its membership and their guests.

In 1922 Louis Fox, one of the city's leading business men, bequeathed \$10,000 as a nucleus to the chamber of commerce building fund. Shortly afterwards \$290,000 was raised by public subscription for the purchase of land and the erection of the building. The completed building cost \$350,000.

The building is three stories in height, carried out in Northern Italian architecture, with much color and a wealth of detail work.

On the first floor are the main dining room, six committee rooms, a small lounge and the billiard room. The offices, the main lounge, two additional committee rooms and the main auditorium are on the second floor.

Above the second floor and filling the space made by the added height of the auditorium is a mezzanine floor containing the offices of the Credit Rating Department, card rooms and a small assembly room.

The Fort Wayne Woman's Club occupies the entire third floor. Its quarters are completely isolated from the rest of the building.

Government Statistics

POSSIBLE improvements in the 1930 census and other statistical reports made by the Federal Government will be studied by the Bureau of Research and Education of the International Advertising Association.

A special committee has been appointed, composed of Henry G. Campbell, of J. Walter Thompson Co., chairman; L. M. Barton, of the Chicago Daily News; D. R. Cowan, Swift and Company; J. D. Crain, Jr., Class and Industrial Marketing; F. M. Feiker, Associated Business Papers; O. C. Harn, Audit Bureau of Circulations; and J. W. Hayes, Crowell Publishing Company.

Although several committees have been appointed with similar purposes none of these officially represents organized advertising. Mr. Campbell's committee expects to work in close cooperation with all these groups, especially the Central Committee of the Market Research Conference headed by Dr. Frank M. Surface. The I.A.A. Committee should be able to

uncover needs for statistical information among advertising men which will not come to the attention of the other committees.

Furthermore, it can exert strong influence in favor of the recommendations of any committee working on this problem because it will voice the sentiments of 22,000 advertising men and women in all branches of this business and in all parts of the country.

The Bureau invites the cooperation of all who use government data. Everyone who finds certain facts missing in government reports or facts presented in an inconvenient form is urged to offer constructive suggestions at once. Prompt action is necessary since plans for the 1930 Census are already well advanced. Correspondence may be addressed to the Director of the I.A.A. Bureau of Research and Education, Nathaniel W. Barnes, at the University of Chicago, or to any member of this special committee of the I.A.A.

Doing Their Own Research

A NATION-WIDE study of the status of commercial forestry is being undertaken by the National Lumber Manufacturers Association. Modern methods of forest management are being studied with a view to group encouragement of individual forestry projects.

The idea is to secure the perpetuation of the American lumber industry on a large scale.

It is interesting to note that recently a large lumber land owner stated that the work of the National Chamber on commercial forestry opened the eyes of the lumber industry as to its practicability.

Another Advertiser

DALLAS, TEXAS, has entered the field of American cities which have concluded the shortest way toward development is through community advertising.

The Dallas chamber has just completed a campaign in which half a million dollars was raised for a program of national advertising.

"Industrial Dallas, Inc.," a separate corporation, was organized by the directors of the chamber to conduct the advertising program for three years.

Two years of study preceded the campaign. Three reports were made, and on these will be based the advertising appeal of Dallas.

Coming Business Conventions

Date	Place	Organization
July		
2-5	Toronto	International Association of Clothing Designers
8	Detroit	Public Utilities Advertising Association
8-12	Detroit	International Advertising Association
10-12	Denver	National Leather and Shoe Finders Association
16-19	Milwaukee	National Team and Motor Truck Owners Association
18-20	Victoria, B.C.	Pacific Northwest Real Estate Association
20-25	Des Moines, Ia.	American Baby Chick Producers Association
25	Chicago	National Live Stock Producers Association

CRATING



Your Crating Room—*can't some of it be used for profitable* PRODUCTION?

IF HALF of the packing rooms of this country were released to profitable production, America would find a new source of wealth.

We know this is true because we have proven it in several hundred individual businesses.

You can prove it in your business.

Start from the bottom. Think the thing out all over again.

Call in the Weyerhaeuser man. Get the whole story of Weyerhaeuser Cut-to-Size Crating.

These are standard crating pieces, cut to

size at the mill, from ideal light-weight crating woods.

They build you Standard Crates. All you need is nailing jigs, hammer and nails.

They save you money from the start. Eliminate waste of time, labor and material.

The crates are light and strong. Freight costs are *low*. You add many miles to your selling radius. Merchandise arrives in "better" condition.

A new economy—new source of profit.

Weyerhaeuser also supplies Box Shooks, and ideal Crating Lumber for the man who cannot standardize his crates.

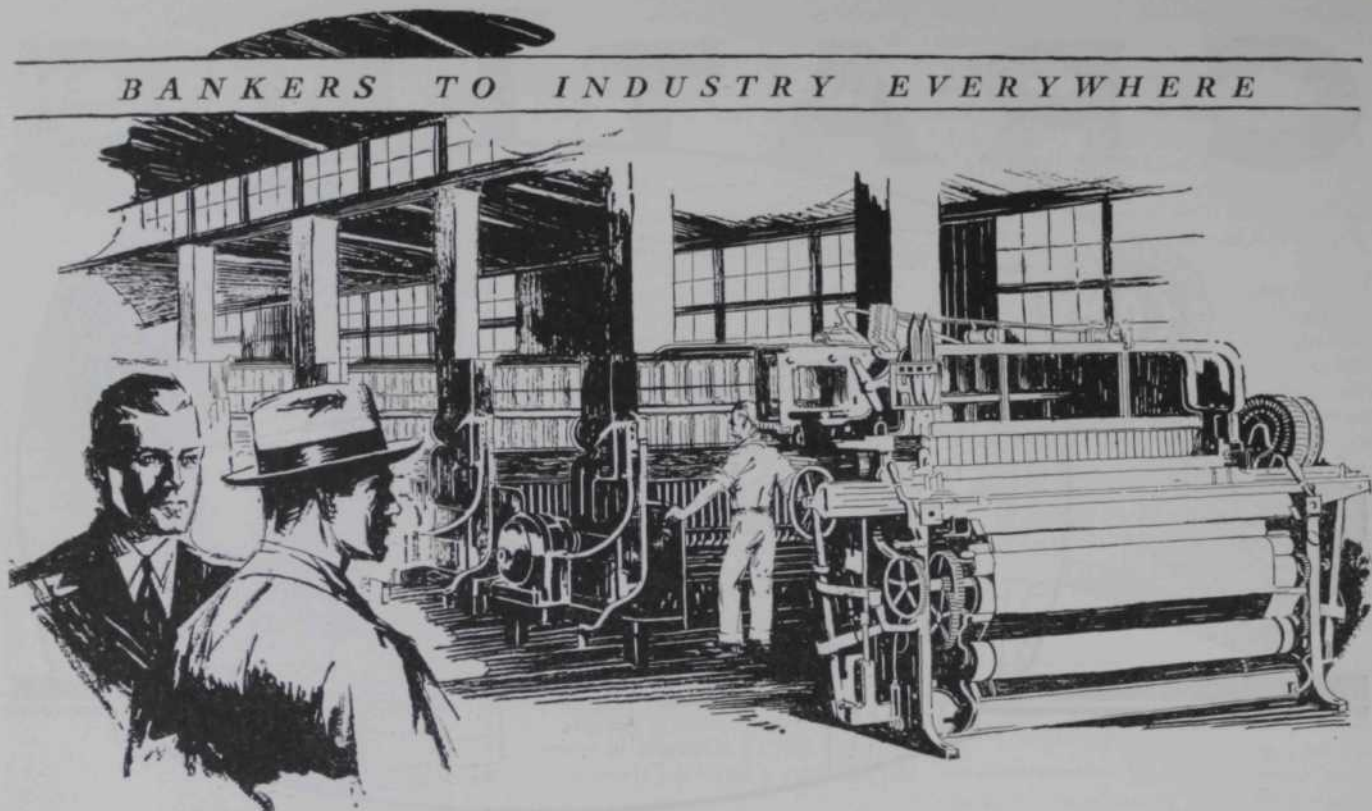
WEYERHAEUSER FOREST PRODUCTS SAINT PAUL · MINNESOTA

Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose. Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 806 Plymouth Building, Minneapolis; 1418 R. A. Long Building, Kansas City; 208 South La Salle Street, Chicago; 1313 Second National Bank Building, Toledo; 2401 First National Bank Building, Pittsburgh; 1600 Arch Street, Philadelphia; 285 Madison Avenue, New York.

WEYERHAEUSER CRATING LUMBER STANDARD LENGTHS OR CUT TO SIZE

BANKERS TO INDUSTRY EVERYWHERE



A Credit Sale for Cash!

Inquiries are invited from all interested in offering their customers the opportunity to acquire new equipment upon sound instalment terms.

Ask about C. I. T. Plan for

Agricultural Machinery
Automobiles
Bottling Machinery
Contractors' Equipment
Conveyors
Dairy Machinery
Electric Appliances
Embossing Machines
Furniture
Gas Equipment
Hotel Equipment
Incubators
Lunch Wagons
Newspaper Presses
Organs
Pattern Machinery
Pianos, Phonographs
Printing Machinery
Radios
Refrigerators
Saw Mill Machinery
Store Fixtures
Textile Machinery
Theatre Equipment
Washing Machines
Welding Machinery
X-Ray Machines

and many other products

A GROUP of textile men formed a partnership to erect a mill and produce a novelty line for which they saw a good market. Although their combined worth was in seven figures they planned to hold their initial capital investment within strict limits. The machinery order went to a manufacturer who met their technical standards and in addition offered satisfactory long term credit.

The C. I. T. Plan

Looms, dobbies, etc., came to over \$50,000. The manufacturer accepted a fair cash payment and instalment notes for the balance. The seller did not have to wait for his money. C. I. T. promptly gave cash for the paper, relieving the company of the necessity of using its own funds to bank its customer.

32

There are broad sales opportunities in the sound application of the instalment method to the marketing of heavy machinery. C. I. T. finance service is now used by manufacturers selling equipment of large unit price as well as by makers and distributors of articles of comparatively small cost such as office appliances and household utilities.

Founded 1908 this institution has financed the sale of more than \$1,000,000,000 worth of selected products. By supplying funds and giving service covering all the details of instalment transactions C. I. T. in effect keeps clients' sales on the equivalent of a cash basis.

Affiliated and Operating Companies with Head Offices in New York :- Chicago :- San Francisco
Toronto :- London :- Berlin
Havana :- Porto Rico :- Branches
in more than 60 Cities

COMMERCIAL INVESTMENT TRUST CORPORATION

Executive Offices, One Park Avenue, New York

Capital and Surplus Over



\$27,000,000

What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

THE temporary passing of cheap money was an outstanding event of the Spring season in Wall Street.

Despite the tightening of the money strings, stock speculation up to this writing at the beginning of June has continued in record breaking volume, with stock averages at or near new peak records for all time.

The course of gold shipments and interest rates in recent months has reflected artificial influences apart from basic trade movements. Unless the special factors are clearly perceived, the whole development is likely to seem mysterious.

Since last summer half a billion dollars of gold has been dispatched in eastbound vessels from American ports. A redistribution of the world's gold supply has been taking place,—not because European nations were entitled to demand the gold, but because America, as the chief creditor nation, has let the metal go for world stabilization.

SECRETARY MELLON, as chairman of the Federal Reserve Board, and Benjamin Strong, governor of the Federal Reserve Bank of New York, have worked in close harmony with Montagu Norman, governor of the Bank of England, and the executives of the principal central banks on the continent.

In 1927 the real balance of international payments was in favor of the United States, but this was offset by continued heavy foreign loans. Accordingly, alien nations have been taking gold through the courtesy of the American investor, who in buying European bonds has given Old World countries the privilege of demanding gold.

The merchandise balance in 1927 was in favor of the United States to the extent of \$548,000,000, which was slightly more than offset by tourist expenditures abroad and other invisible imports. The net export of capital in new loans and investments reached \$671,000,000. The net effect of the intermingling of all these items was a balance against the United States in 1927 of \$172,000,000.

If the appetite of American investors for European securities waned, the capacity of Old World countries to take gold would be challenged. Europe has been importing gold in large amounts, not because of trade balances, but through the tolerance of the principal creditor nation. Accordingly, the huge gold exports do not signify what they would have meant in pre-war times. They point to no ap-

proaching economic crisis. They represent merely the cooperative spirit of America, the new venturesomeness of its capitalists and the desire to help finance European post-war reconstruction. They cut down only America's excess bank reserves.

Frederic C. Howe, commissioner of immigration during the Wilson Administrations, in a speech before the Academy of Political and Social Science, in referring to America's growing foreign investments,

to the usual policy of the United States.

Another barometric indication of the growing political consciousness of the meaning of America's new status as the world's chief banker was the introduction in the last session of Congress by Representative Henry F. Rathbone, Illinois, of a resolution instructing the President to let the American investor know precisely what his status is.

"During and since the world war," Representative Rathbone explained, "the foreign investments of this country and its citizens have been piling up at a tremendous and unprecedented rate.

"With every dollar that has gone abroad for investment, it is realized by all thinking persons that there has arisen an added danger of foreign complications.

"It is not well for this country, nor for the individual concerned, to be left in doubt as to what our policy will be.

"If this resolution were adopted, no doubt American investors would be rendered more cautious in the matter of foreign loans and would not attempt to make use of the United States Government as a collector."

In spite of criticism from radical quarters, foreign lending is the new destiny of the United States, and no one can minimize the ramifications of the new rôle. Investment bankers are charged with a great responsibility, not only toward their clients, but also to the American people. The international bankers possess power that exceeds that of many sovereigns, and they hold their sway by proxy; for the ultimate authority is in the hands of the plain investor who decides to absorb foreign securities or to leave them severely alone. The investment banker holds his throne during good behavior. A blunder in judgment may cost him his prerogatives.



EXCHANGE SECRETARY

ASHBEL GREEN is now secretary of the New York Stock Exchange. He was with the New York Quotation Company for many years and has been on the Exchange since 1914. Mr. Green is the ninth secretary the organization has had in its 111 years

asserted that foreign loans decrease our own wealth and lead to political entanglements which may produce war. Mr. Howe, who is in all matters desirous of putting more government into business, urged social control of foreign investments.

As a beginning, he proposed that the details of all foreign loans should be publicly recorded with the State Department and the Senate Committee on Foreign Relations. In the last two administrations, it has been the policy of the State Department to consider all foreign loans and indicate whether any were contrary

FRANCE, with its huge gold imports in recent months, has been setting the stage for a formal return to the gold standard.

UNTIL the turn of the year, the Federal Reserve authorities in effect offset the tightening effect of gold exports by buying an equivalent amount of United States Government obligations. But since January the central banking officials have reversed their policy, and have sought by negative and by positive action to draw in the purse strings. They not only ceased offsetting gold exports with

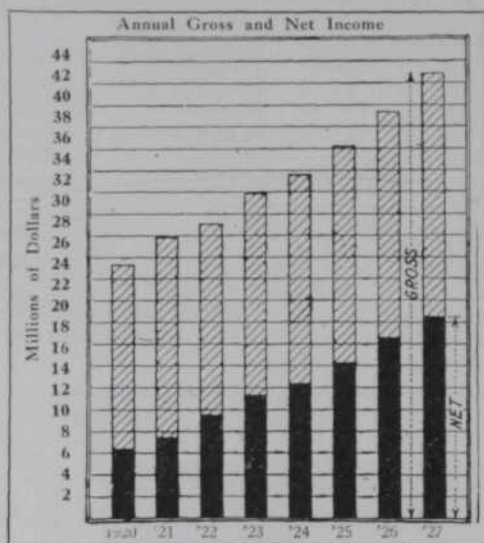
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should be carefully checked at least every six months to see whether or not advantageous exchanges should be made in view of present business and financial conditions. A few minutes spent with your investment banker may mean the *saving* to you of thousands of dollars and the strengthening of your individual holdings.

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bond purchases, but actually dumped \$200,000,000 of Government securities from their portfolio into the open market. Furthermore, the Reserve authorities, alarmed at the rapid flow of bank credit into stock speculation, made further gestures by two series of rediscount rate increases, bringing the rate from 3½ to 4½ per cent.

The first increase brought a reduction in brokers' loans during the period beginning with the second week in February and ending in the second week in March, but soon confidence was restored, and a new expansion of brokers' loans started, bringing the total far higher than ever before. The second rate increase in the weeks immediately following proved only mildly restrained. The overt act of the Stock Exchange in reducing trading for one week to five trading days of four hours each proved a more effective temporary brake, impressing amateur traders with the abnormal situation and resulted in a curtailment of volume of 30.46 per cent over the previous week.

WITH the causes of tight money largely artificial, there are no impressive signs that the long term decline in the wages of capital is yet over. Liquidation in the stock market, if it should occur, would quickly restore monetary ease. It is probable that the Reserve authorities have put the rediscount rate as high as they will care to, on account of international considerations. As a matter of fact, if they can quiet down speculation at home, they would no doubt like to reduce the rate this summer in order to give ease abroad, and facilitate the foreign purchase of products of the American farms. Moreover, it is feared that any unduly high rediscount rate at New York may retard stabilization plans overseas.

DOMESTIC business in July should reach the culmination of the seasonal slack, and begin gradually to move upward. If there are no serious political upsets and no crop failures, the prospects are for a substantial fall trade, which should outstrip the corresponding period of last year when trade was receding.

THE success of the General Motors Corporation as makers of cars for "every purse and purpose" was bound to influence the grouping of competitive companies.

The consummation of plans for the merger of Dodge Brothers and the Chrysler Motor Company brings Walter P. Chrysler to the fore as an outstanding personality. He not only made his own company third in the industry in a few years, starting out with the emaciated Chalmers and Maxwell Companies, but in styles and in new technical departures, he has been a pace setter for the whole industry.

The Chrysler Company itself was based on the attempt to run the whole gamut between low priced and fine cars, and the Dodge alliance strengthens the company in the medium price field, chiefly through bringing a good dealer organization, ex-



WAGES *buy more* in the SMALL TOWN

THE factory in the small town has two distinct advantages with respect to its labor costs.

Its wage scale is lower than the wage scale of the big-city factory—resulting in a sharp saving in production costs.

Yet the lower wage buys more for its workers than the higher wages of the big city.

For the employer paying it and for the employee receiving it, the wage dollar works harder. Pleasant living conditions and absence of fatiguing congestion result in better production. Home-owning—possible for workers in the small town—makes interested, permanent employees who

have a definite "stake" in the community and in the enterprise which employs them.

Improved transportation and widespread electric power supply have fitted the small towns for industrial growth, enabling industries to locate where production costs may be cut, shipping facilities improved, raw materials and markets brought closer, and taxes and land costs substantially reduced.

Upon request, the *Industrial Development Department, Middle West Utilities Company, 72 West Adams Street, Chicago*, will furnish data on small town factory sites, offering a choice of more than three thousand towns in thirty states.

MIDDLE WEST UTILITIES COMPANY



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From San Francisco Bay, with Oakland on its mainland side, great liners can bear you to Hawaii, or on into the sunset.

OAKLAND, "industrial capital of the west", invites you to enjoy California's playgrounds and ... with Oakland as your headquarters ... to learn this city's advantages as a manufacturing and distributing center.

In finding the fitness of these advantages for the particular requirements of your business, The Oakland Bank will assist you accurately and thoroughly.

Before you reach the city, your problems will have had the attention of skilled executives. During your stay these men will be at your service. In investigating Oakland's possibilities for your business, The Oakland Bank can be invaluable.

*Take the first step now...a letter to The Oakland Bank.
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cellent traditions, and a financial alliance with Clarence Dillon, the banker for Dodge.

The Dodge product, which was one of the original outstanding successes in the pioneering days of the automotive industry, like the Ford Model T, which has been discarded, became obsolete. Accordingly, profits receded. Recent changes in models were made, but some outside observers have felt that the company needed as radical an overhauling as the Ford Company. The union with the progressive Chrysler should give Dodge the intimate touch with the newer tendencies in the industry which it has lacked, and greatly strengthen the competitive position of the company.

Other units may be added to the combination, and some of the principal independents, who remain outside the General Motors and Chrysler combines, are likely to consider mergers of their own. Moreover, the progressive character of the average American, who is perpetually striving to rise from one economic class to another, emphasizes the desirability of making better cars to sell to graduates from the cheap car department. The weakness of the Ford scheme has been that it has converted Americans from pedestrians into motorists. After they wanted a more expensive car Ford turned them over to outsiders.

Back in December 1923, I asked Mr. Ford whether he considered making a full line, and he replied: "I should say not. Our success lies in specializing in a single chassis."

IN its present form, General Motors is a triumph of cooperation among eighty major executives.

The Chrysler Company, which in four years rose from twenty-seventh to third place in sales among members of the National Automobile Chamber of Commerce (of which the Ford Company is not a member) has been more of a one man organization. In its formative days, the General Motors Company likewise was primarily the shadow of William C. Durant, who twice lost control. Between the first and second Durant administrations, Mr. Chrysler was invited into the company to take charge of the Buick Division by C. W. Nash, who was then president. Mr. Chrysler gave Buick its first big push as a leader in its class.

In 1920 after Mr. Durant had returned, he and Mr. Chrysler disagreed, and the latter resigned, going to the Willys Overland Company, where he did a remarkable job in rehabilitating the company in cooperation with John N. Willys. The same bankers then asked Mr. Chrysler to take over the weak Maxwell Company. Here Mr. Chrysler had his big chance.

THUS far, Wall Street and the realm of business have displayed calm toward the approaching presidential election. Some onlookers expect the Street to discount politics late in September and in October.

The absence of political radicalism of an important character no doubt tends to

make Wall Street comparatively apathetic. Writing in the *Yale Review*, John Spargo, ex-member of the Socialist Party, asserts: "The idea of a Labor Party was never less popular than today. The vision of capital and labor working harmoniously together as partners, inspired by a common purpose, is not yet realized. But here in America labor is ready and eager to enter such a partnership."

THE Interstate Commerce Commission decision on the Chesapeake & Ohio petition to acquire control of the Pere Marquette and the Erie through stock ownership emphasizes the vagaries of the present law and the existing method of enforcement. The Van Sweringens presented the revised plan to meet the conditions which the commission seemed to set up in rejecting the original Nickel Plate merger plan early in 1926. The I. C. C. has indorsed the acquisition of the Pere Marquette under restricted conditions, but has objected to the absorption of the Erie. Moreover, the commission held that the C. & O. could not issue new stock at par, but could do so at \$150. In the decision, the commission seemed to extend the scope of government in the railroad business.

Railroad mergers are coming, but the task of promoting transportation weddings will be a gamble until the law is clarified in some such manner as the Parker bill proposed.

PRESIDENT COOLIDGE'S veto of the McNary-Haugen bill does not solve the farm problem, though it does remove the danger of dallying with a patent medicine. In the last year farm prices have moved up relatively compared with non-agricultural prices, and farmers are gradually getting some relief. Their future lies largely in avoiding excessive production, and in shifting from crops in excess supply to those which are scarce. In applying merchandising methods to farming, the agricultural community can be helped by the improved data prepared by the Department of Agriculture. Cooperative marketing also constitutes a constructive remedial development. High capital charges still limit the farmer's profit making capacity.

STOCK Exchange facilities have not been equal to the popular demand. Accordingly, specialists in active stocks have been swamped, and instead of reporting executions immediately they frequently fall hours behind. The lagging ticker constitutes another handicap for the outside trader. The congestion has been not only on the trading floor, but also behind the lines in the clerical forces which tabulate the changing whims of the speculating public.

Bookkeeping machines will ultimately speed up the inside offices, but the floor delays will last until the speculative fever wanes or until additional brokers or mechanical men are added to the roster. Of the 1,100 members of the New York Stock Exchange, more have been active in recent weeks than ever before.



Eliminate guesswork from bond buying

STARTING from facts which you can conveniently send us by means of the *Equitable Investment Memorandum*, we will make a careful study of your investment aims. Then, from our knowledge of the particular features offered by various classes of bonds, we shall be able to select those bonds which best fit your needs.

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What Bonds Should You Buy?

We see almost daily the hardship and worry which result from buying the *wrong* types of *good* bonds. Business men, with opportunities lost because they cannot readily raise money on their bonds. Widows, with inadequate safety because they hold "business men's bonds." Estates swallowed up by inheritance taxes because of the wrong kind of investments.

Your choice of good bonds should depend on two things:

[1] Yourself

How old are you? What are the source and size of your income and your annual surplus for investment? Are you married? How many dependents? What are your tax and other liabilities? Do you own your home? Do you travel? Where is your legal residence? What are your prospects and plans? Have you made your will? Created a trust fund?

Why are you saving? To buy something? To assure a comfortable income in old age? To provide for your family? To protect a business? To meet some contingency?

Personal questions—yes. But, before suggesting the bonds you ought to buy, the investment specialist, no less than the medical specialist, must have facts for diagnosis.

[2] Your Present Investments

It is quite possible that some of your present holdings are not the best for you.

All the securities you now own should fit into a personal investment program, based not only upon the fluctuations of industry and a constant income average but also upon your own plans and contingencies and other personal factors.

Your present holdings are a personal matter, too. But the sincere investment specialist cannot intelligently advise you on new purchases unless he knows what you already own.

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"A" and "B&Better" (which combines "B" with "A") are the highest grades of Arkansas Soft Pine. They are the grades you should designate for a clear, fine quality of interior woodwork and best grades of flooring in Edge Grain (quarter sawn) or Flat. They are the correct grades for exterior finishing such as window casings, lap siding, clapboards, cornices, etc.—items which comprise the exposed surfaces. "B" and "C" grades are used for the same purposes. They contain minor defects such as small sound knots, pin worm holes, slight surface abrasions, etc. These defects often may be removed by cutting to meet measurements during installation, or they are hidden by paint. They do not detract from strength or usefulness, but are sufficient to classify the grade as slightly below strictly clear.

for example
"A" GRADE
"B&BTR." GRADE
"B" GRADE
"C" GRADE

These are all of higher
grade than "No. 1"
which is actually a
common grade.

FRAMING LUMBER

"No. 1 Common" is a sound grade of common lumber. It is the best quality suitable for framing, scantling, joists, boards, ship-lap, sheathing, fencing, shelving, false flooring, etc. It contains some knots and admits slight splits, shakes, barky edges, etc, but incurs no waste. "Nos. 2 and 3" Grades are respectively lower in quality and higher in number of defects permissible. These grades are economically practical and properly used for framing, roof sheathing, steps, false floors, etc, and are widely employed.

This explanation is published, that you may invest your building or remodeling dollar with a better understanding of what you require, what you should expect and what you are entitled to according to specifications designed to give you the right quality for each use.

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WHAT I'VE BEEN READING

By WILLIAM FEATHER

IN ONE of the cities of the Central South a newspaperman was trying to interest the president of a thoroughly city-minded bank in a movement for agricultural advancement.

"I am not interested in farmers," said the banker. "Our farmer business does not amount to anything."

"Who is your largest depositor?" asked the newspaper man.

"The International Harvester Company," said the banker.

That man was just two removes from the farmer, and could not see him at all. He could see the great Chicago corporation that poured money into his vaults; but his vision did not extend to the farmers who made the corporation's deposit possible.

From "Town and Country"

By ELVA E. MILLER,

University of North Carolina Press.

AN ANONYMOUS American writer, the author of the book, "Wine, Women and War," has published a second book called "P. S." This latter is a dairy written during a year in Europe with his wife and three children. Like thousands of other Americans they went over for "culture." They bought an automobile, rented a villa in the Riviera, toured Italy, and later lived in Paris and England.

Many have dreamed of doing this. Before they do it they should read this man's book. He is an intellectual, and is naturally indisposed to give the United States the best of it. His conclusions, therefore, are doubly interesting.

One idea was that the children should learn French, but he observes, "One actually hears more English than French. Is English, I wonder, destined by its richness and flexibility, to be the world language of the future? It's in a fair way to be that already. I see ads in the French papers: 'To advance in your profession it is necessary to learn English.'"

Soon he is moaning in such phrases as:

"My conviction deepens that the chief benefit to be derived from travel is the heightened regard one has for one's own land. . . . The leadership of the world is in our hands; its center the fertile Mississippi valley—the Ninevah and Tyre, the Athens and Rome, the London and Paris of the next century. . . . Chicago. . . . Pathetic the American expatriates here. . . . Miserable is the wretched business man whose wife has dragged him over for the cultural advantages of the Old World. How bored the poor devil is! Beyond a little unsatisfactory golf and earnest patronage of the 'American bars,' he hasn't a thing to do with his time but read detective stories and dream of going home. . . . For the most part he lives in a kind of coma, patiently waiting for Thursday, when the *Saturday Evening Post* comes to him, just as it did in those dear, glad days back home."

Here is a man with a keen appreciation of art, literature, tradition, beauty, and all the good things that go to make up civilization. He is not a money grubber, unable to think or talk about any-

thing except discounts and turnover, but on the contrary is welcomed by noted natives and visitors wherever he goes. Yet he finds himself bored, and when he visits an international convention of the Rotarians at Ostend, instead of being amused, as he expected, he is deeply impressed and exclaims: "If I had a touch of Menckenis, I'm getting over it! I came to look at Coxey's Army, and I feel as if I were seeing the Crusades. This show isn't funny—it's thrilling!"

J. FREDERICK ESSARY, an American newspaperman, spent many months in London as a representative of a United States news agency. In "Reverse English"² he reviews the English in somewhat the manner of those innumerable Englishmen who have inspected our country.

He finds much to admire in England and much to criticize. He observes universal politeness—telegraph boys, gate-men, porters, telephone operators, restaurant cashiers are everlastingly saying "Thank you." He commends the English for their sportsmanship, their cheerfulness, their determination, their honesty.

But when he observes their innumerable holidays and interminable week-ends he wonders if they have a right to complain that times are bad. And he doubts that times will get better unless air drills are substituted for sledge hammers in street paving work, and other modern methods are introduced elsewhere. He is

appalled by their cooking and wonders why they "have never learned how to cook the limberness out of a slice of bacon nor how to fry an egg without submerging it in grease."

Mr. Essary offers a formula for getting on with the British. Be a straightforward, double-dyed, unblushing, but an unboastful American. The Englishman despises the cheap imitator who apes him and his mannerisms.

EACH month the National City Bank of New York publishes a letter,³ edited by Vice-President George E. Roberts. Mr. Roberts leads off with a review of general business conditions, and then follows with an analysis of one or more current economic problems.

In a recent issue he discussed the "Law of Supply and Demand," taking as his text the remark of a witness in the Senate coal inquiry. A Senator had questioned the humanity of the law of supply and demand, and the witness said:

"Senator, the law of supply and demand is a jungle law, but I don't know how to stop it."

Mr. Roberts then coolly analyzes the operation of this ancient law in the soft coal industry, the flour-milling industry, and the cotton goods industry. He is a realist and deals in ugly facts. He traces the troubles of the coal operators and miners, since the war, to factors beyond the control of either group. He shows (1) that central stations through new methods and devices are getting more steam per pound of coal, and consequently using less, (2) that railroads are using less for similar reasons, (3) that oil is more widely used, (4) that water-power is used more, (5) that coal-cutting machines have increased the capacity of the worker 50 per cent.

There are too many mines and too many miners. Some mines must be closed and some miners must seek employment

¹P. S., by the author of Wine, Women and War. 274 pages. I. H. Sears & Company, Inc., New York.

²Reverse English by Frederick Essary. 304 pages. William Edwin Rudge. \$3.

³Letter of the National City Bank of New York. Edited by George E. Roberts. The Letter is sent monthly without charge upon application.

The Great American COMPETITION

The Great American Competition is the competition of Brains. Not so much the brains of Genius as the brains of matured Vision, Judgment, and Understanding.

Back of all our material progress in business are these *mental* capacities—to see the need of better things, to sense the right, and to know how. In their fullest possession is a power that defies material competition. Between their grades of excellence is the great struggle—the Competition of Brains.

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BUFFALO	LOUISVILLE	KANSAS CITY	GRAND RAPIDS	SAN FRANCISCO
ROCHESTER	HUNTINGTON	OMAHA	KALAMAZOO	LOS ANGELES

elsewhere. He concludes: "The downward tendency of wages and prices is practically inevitable in an overcrowded industry, because it is only under pressure that the industries will conform to changing conditions."

The important words in that sentence are "under pressure." None of us will put himself to much inconvenience except under pressure.

Studies of the flour-milling and cotton goods industry reveal that their troubles are due to comparable causes. Discussing the latter, he shows that the advantage which seems to have been lost by the New England workers has been a gain to Southern labor. A process of equalization has been going on.

The law of supply and demand is sure, remorseless. It hits poets, book reviewers, editors, lecturers, actors, and playwrights as cruelly as laborers and capitalists. But only through this law can society keep itself in balance.

"It is often said," states Mr. Roberts, "that every person is entitled to a chance to earn a living, but even so, this does not signify that he is entitled to earn it in any particular place or in any particular employment, or at any particular price that he may choose. That would be naming conditions which obviously could not be assured to everybody and no one is more entitled to such assurance than any one else."

MR. BUSH is president and founder of the Bush Terminal Company. In the early part of his book⁴ he sketches the history of his adventure in business.

His father was a wealthy oil man. Unlike so many American boys, young Bush had no struggles with poverty. The father owned a fine yacht aboard which the family spent the summers, cruising along the New England coast. Once they went around the world on the yacht. When Irving Bush was twenty-one his father died.

Later his business was absorbed by the Standard Oil Company. The young man then had the choice of a job with the great corporation, or an adventure "on his own."

With some of the family's money he began the construction of six warehouses on land his father had owned. The story of this wealthy young man's fight to compel the railroads to give him recognition, and then to force ocean steamers to use his docks, and finally to compel the ferryboats to give him service, is as thrilling as anything ever written about a poor boy.

There was a day when the directors of the company wished to confess insolvency, but young Bush managed to work his way out of the difficulty. He pledged every scrap of paper his family owned.

This part of the story occupies the first 81 pages of the book.

The next chapter opens with this para-

⁴Working with the World, by Irving T. Bush, 315 pages. Doubleday, Doran & Company, Inc., Garden City, New York. \$2.50.

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A condensed set of health rules—many of which may be easily followed right in your own home, or while traveling. You will find in this little book a wealth of information about food elements and their relation to physical welfare.

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graph: "This is the beginning of the Golden Age of America. There lies before us the greatest period of material prosperity we have ever known. Past generations cleared the forests, opened the country, and built cities and industry. We and future generations will harvest the results. Wealth has been created, and a standard of comfort and luxury for everyone achieved that has never before been known in any country. And this comfort and luxury will increase."

With this optimistic note as his theme, Mr. Bush reviews national and international problems, brightening his observations with personal notes gathered in thirty years of experience and travel.

Young men should read this book by Mr. Bush. On page 310 they will find a good sentence, which reads: "The way to get to the top is to begin by being the best man at the bottom."

MESSRS. FOSTER and Catchings, the New Thought economists, have concluded their ballyhoo and are now selling tickets for the show inside the tent.

As is usual, the ballyhoo was more thrilling than the show has proved to be.

As barkers for a new remedy for industrial ills — depressions, unemployment, profitless prosperity, etc., etc., — the authors lifted those of us who read "Money," "Profits," and "Business Without a Buyer" to the expectation that we would hear something at least as novel as bimetalism or single tax.

We thought they would show us how we could get rich by spending money.

Well, those of us who have paid our \$2 for "The Road to Plenty" have concluded that there really are no three-legged men or bearded women, but we are not sorry that we read the book. The idea of the authors is stimulating and provocative, even though it is not revolutionary.

The trouble with free trade, single tax, socialism, bimetalism, and government ownership is that to many the cure appears worse than the disease. They arouse powerful opposition.

In "The Road to Plenty" no suggestion is made that poverty is the consequence of special privilege. Land owners are not condemned. Capitalists are not condemned. Labor is not condemned. We are all viewed as human beings, honestly hopeful that some way will be found by which we can enjoy a bountiful life.

And why can't we? Why must there be recurrent periods of unemployment? Why must children go hungry while their fathers tramp the streets, seeking work? Why are tables bare while warehouses are bulging with goods? Why must factories close down when men want to work and want to buy the product of their labor?

Courageously, the "Road to Plenty" undertakes to answer these questions.

The remedy is mostly in information, say Foster and Catchings. If we knew that today's policies would cause insolvency next year we would alter our ways.

Through the Federal Reserve Bank wild fluctuations in money rates have been stopped. The governors of the

The BANKING HOUSE *is Keeping Pace with the Times!*



Athol Savings Bank

PRESENT and recent bank construction in the financial districts throughout the land show how the banking houses are keeping abreast of the times.

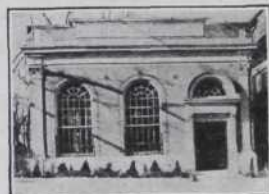
No less than the most modern architecture — the finest materials — have satisfied. And in vault construction, no less than a Steelcrete Armored Vault will do — a modern vault thoroughly in keeping with the improved architecture and more substantial building construction.

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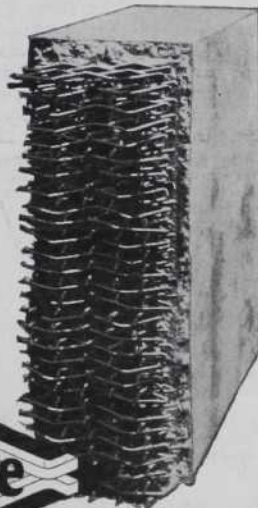
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banks apply the brakes when danger signals appear.

Through a single board the cycles of industry can be controlled, provided this board has the full cooperation of business and government. The purchasing power of the Government would be one of the major devices used. Old stuff, you say? That's true, but the proposal of Foster and Catchings is that we shall put this old idea at work. That we shall take it seriously.

With the knowledge that too many consumers' goods are being made for the purchasing power of the people, Foster and Catchings believe that some of the unemployed labor and machinery should be set working on flood control of the Mississippi Valley, digging the St. Lawrence Waterway, or the irrigation of a desert. However, only that amount of capital and labor should be employed at any time as will lead to the employment of the rest of our idle capital and labor. Such public works should be curtailed when prices rise more than sufficient to insure fair wages and fair profits for everybody.

Canals are dug now, flood control is undertaken, deserts are irrigated, roads are built—but they are built at the wrong time.

This is a sketchy and incomplete analysis of the theory and remedy, but it is suggestive.

The plan seems reasonable. A trial will do no harm, and it may do much good. It provides a basis on which all parties in our economic structure can cooperate for the partial elimination of unnecessary human suffering.

LIKE MOST first-class writers Arnold Bennett has good business sense, and complete sympathy with the business point of view. The sub-title of his book, "Essays in Gusto," accurately describes the contents which range from an analysis of Hustle to a dissertation on the Decimal System.

Mr. Bennett, it seems, has been accused by his literary competitors of pot-boiling, a phrase used to describe those who have a quick eye for the dollar. Mr. Bennett, although an established novelist of first rank, is not above earning an honest penny by writing about such simple subjects as the Servant Problem and How A Rich Man Should Rear His Son.

He throws this challenge at his critics: "I write for money. I write for as much money as I can get. Shakespeare and Balzac did the same."

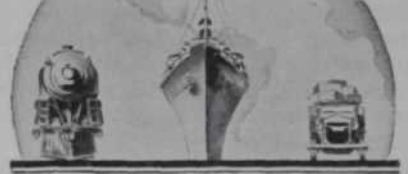
"No artist can rightly be only an artist. When he has finished his day's work of sincere creation he must be a merchant. Therefore, he ought to learn how to be a merchant efficiently—that is to say, how to sell his goods in the largest possible numbers and at the highest price consistent with honesty. Artists yearn to be appreciated. The best proof of appreciation is the receipt of cheques, notes, or

*The Saviour of Life, by Arnold Bennett. Doubleday, Doran & Company, Inc., New York, 1928. \$2.50.

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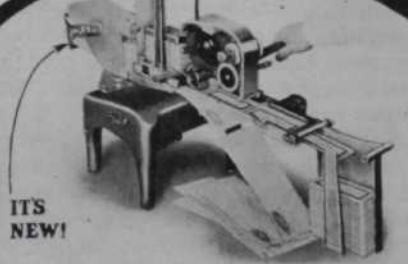
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coin. If people genuinely appreciate a thing they will pay money for it to the extent of their means. If not, not. A comfortably earned income should be a matter of pride to an artist. (It is.) Artists who affect to condemn a comfortable income, when they can't make it, are nincompoops in addition to being liars."

AT LEAST as far as economics is concerned nationalism is a myth.

For a hundred years we have been traveling so fast that few are conscious of the distance we have gone. Economically the change in the last four generations has been greater than in the twenty earlier centuries. Only enlightened business men have grasped the true situation. The most constructive suggestions for world rehabilitation have come from the International Chamber of Commerce.

Economics will compel the formation of a United States of Europe, with tariff walls down and with a uniform currency.

That is the thesis of Francis Delaisi, a Frenchman, the author of "Political Myths and Economic Realities."

He says: "Whether for clothes, or food, for work or for pleasure, we all are dependent upon every country under the sun. We cannot make a gesture without displacing some object that has come from the most remote regions; and conversely, every important event on the surface of the globe finds its echo in our daily life. Modern man is truly a citizen of the world. But he is completely unaware of the fact, and herein lies the tragedy of our time and the cause of all the turmoil of the post-age from which a means of escape has yet to be devised."

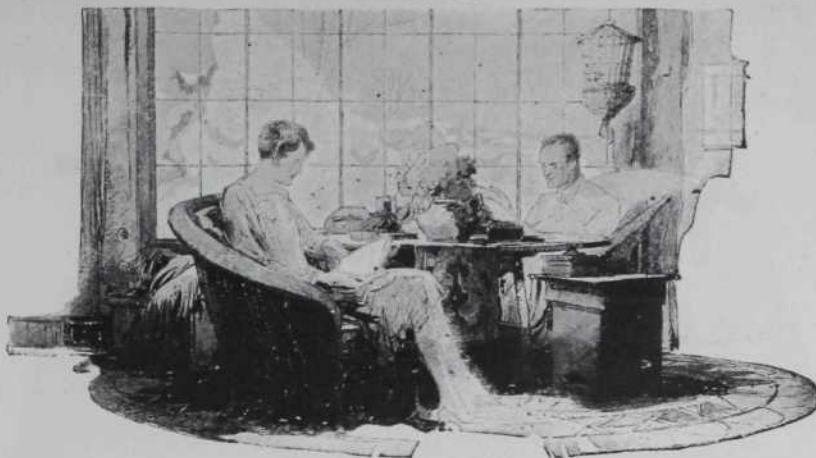
Again: "Today, whether one wishes it or not, the world is profoundly internationalized. An immense network of railway and shipping lines link up seas and continents from end to end; raw materials and commodities are carried towards the industrial centers, where they are transformed and adapted to human needs and then sent back to men of every civilization under every climate. . . . The most isolated French peasant drinks coffee from Brazil, wears a shirt of American cotton, mows his harvest with a Chicago machine, and sells butter in London."

Business will break down economic nationalism as surely as the automobile has displaced the horse and buggy. The world eventually must get itself on a basis comparable to that which prevails within the United States. Communication and transportation must be freed from national restraints.

M. Delaisi presents this proposition boldly and lucidly. Here is a book that business men can read understandingly and approvingly. Because he knows human nature the business man will probably be less optimistic than M. Delaisi. The myth of economic nationalism is deep-rooted. Economic realities will have to squeeze us hard before we will adjust ourselves to realities.

"Political Myths and Economic Realities," by Francis Delaisi. 446 pages. The Viking Press, New York. \$4.00.

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EXECUTIVE OPINION—

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FREDERIC H. HILL, Vice President, Elmira Water, Light and Railroad Co., Elmira, N. Y.



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HUMAN NATURE IN BUSINESS



By FRED C. KELLY

A WOMAN I know conducts an employment agency, specializing on jobs for office workers, such as competent stenographers and secretaries. In response to what appeared to be an urgent demand she began also to handle high-grade domestic positions. At the end of a month she had to abandon this plan, and the chief reason was that she couldn't afford the unexpected demands on her time by telephone talkers.

"Every woman who wished to engage a servant wanted to use me for a mother confessor and talk for an hour about the trouble she had with her last servant," she explained. "This required so much additional time that I would have had to employ more assistants."

A NEW YORK hotel man tells me that the question whether a hotel is on an odd or even numbered street in localities near Fifth Avenue is now important. Because of automobile traffic most streets in the congested area are one-way streets, and the even-numbered streets are for eastbound vehicles, whereas the odd-numbered streets are for westbound traffic. Most people at the better grade of hotels like to start toward Fifth Avenue in a taxicab more often than in the other direction. Hence it is desirable to have a hotel located on an even numbered street west of Fifth Avenue but on a street bearing an odd number east of Fifth Avenue.

THE HEAD of a big department store encourages all employees to spend at least one summer vacation in Europe and has arranged with boat lines and travel agencies for special rates which make such a trip possible to one of modest means.

"We don't do it for philanthropic reasons," says this merchant, "but for purely selfish motives. When a customer comes into our store and deals with a little sales girl who can tell her what she saw people wearing in Paris last summer, the customer somehow feels that she must be getting reasonably intelligent service."

A RESTAURANT man tells me that quality of food is of comparatively small importance in making an eating place a success. The explanation is that

most people are woefully lacking in discriminating taste about the food they eat.

"They are so accustomed," he says, "to standardized, commonplace food, exactly like that served in every other restaurant in town, that they do not expect anything very good. Since they have little hope of much merit in the food, they are attracted more by the appearance of the restaurant itself. A well-located restaurant with good color schemes and a parrot or two painted on the front window can nearly always lure customers unless the food is hopelessly bad."

A GROUP of personnel workers conducted experiments on an assortment of industrial employees to learn how well they were able to judge the personalities of others, as compared with their ability to judge themselves. The experiments indicated that the good judge of others is likely to be cold-blooded toward people and not interested in them. He is more interested in himself than in others and hence able to look at them with an impersonal, unbiased view. The man most interested in others is least able to understand himself, while he who is most interested in himself best understands others.

A RECENT study of accidents in which street car motormen are involved showed that half the accidents in one large city happened on runs of only one-fifth of the motormen. Of the men chiefly responsible for most of the accidents, many were making errors in some one phase of their work, which was easily remediable, but of which neither operator nor supervisor had been aware. Men having high blood pressure seemed to be especially susceptible to accidents. A significant percentage of accidents was due to a slight fault in eyesight which interfered somewhat with vision in one part of the motorman's outlook.

NEW YORK hotels report an increasing habit among visitors to the big town, of phoning to different hotels from the railway station to ascertain where the most reasonably-priced rooms are available, before deciding where they shall register.

IN BUSINESS as elsewhere, a seeming menace often turns out to be a blessing in disguise. A few years ago when radio instruments in people's homes first became common, everybody thought the doom of talking machines had been sounded. But today the leading manufacturers of talking machines are more prosperous than ever before. One reason is that people who enjoy a certain tune on the radio, would like to have it in permanent form ready to play when they so desire instead of having to wait until it is again on the radio waves.

A FRIEND of mine, heretofore always reasonably truthful, tells me of a recent futile attempt to make artificial calves popular once again. A manufac-



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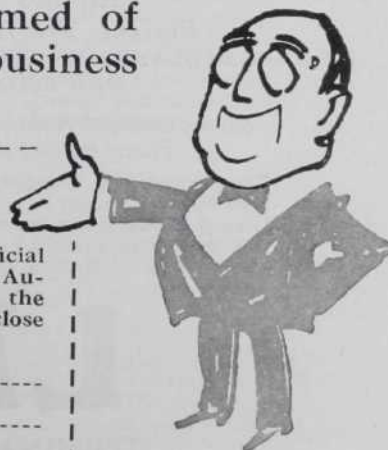
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TERMINAL WAREHOUSES

turer contrived leg pads to be sold in hosiery shops for the benefit of those who are dissatisfied with what nature has provided. But the trouble is that the same short skirts which might make such pads necessary also make them too easily detected. I submit that any thoughtful observer would have no difficulty in these days of knee length skirts and gauze stockings, in recognizing at a glance a spurious calf "symmetrical," as the theatrical profession calls it. With long skirts which permitted only a fleeting glimpse of nether contour, such a misrepresentation might have been possible, but today we are living in an age when only true worth in legs can receive encomiums. The truth is that thin legs, which might be improved by pads, are far less numerous and far less annoying to innocent onlookers than are those built on too elaborate a scale.

A FRIEND of mine who has been highly successful in playing the stock market as a side issue, recently gave me one of his secrets.

"When I buy a stock," he said, "I purposely try to forget what I paid for it. I put such figures away and don't look at them again until after the stock is sold. Otherwise they might influence me to delay selling when all other facts tell me I should sell. In other words, when a stock should be sold, I sell it, no matter what it cost me."

AN IDEA of the extent of interest in stock market operations may be gained by the fact that I recently overheard two colored boys reading a newspaper in a Washington street car and discussing the state of the market.

"I see whuh the brokah's loans is up again, a hunnud and fo'ty fo' million dollahs," remarked one.

"And the mahket still a-goin' up?" asked the other.

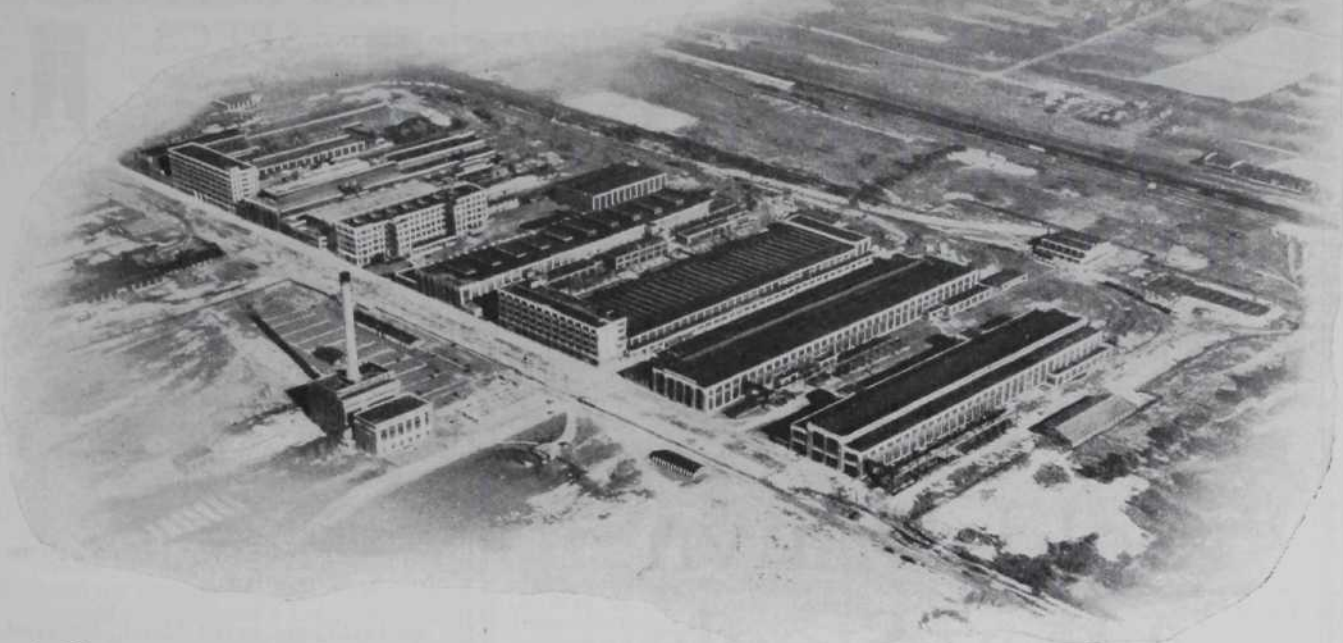
"Yes suh," replied the first one, "they jes' don't pay no 'tention no mo' to brokah's loans."

Then both laughed heartily as if such a financial situation were truly ridiculous.

PRESIDENT COOLIDGE'S recent remark that we should have more art and beauty in everyday affairs reminds me that I heard some time ago of an organization being formed to enroll members who will agree not to buy, and to coax others not to buy, any goods advertised by tin signs tacked on trees, or in any way marring the highways through what might otherwise be beautiful country. Much as I dislike joining movements of one kind or another for worthy purposes, here is an enterprise that I believe I could become all hopped up over.

It seems worth thinking about that some gasoline companies and tire companies have perhaps more odious signs to destroy the beauty of public highways than anybody else does—even though they are the very ones who might profit most by trying to refrain from such vandalism and make motoring more agreeable.

Airplane View of Erie Works
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If you have any connection with the building or maintenance of any factory, warehouse, office building, hotel, theatre, athletic field—in short, any structure of large roof area, we suggest that you write to us about the roofing. You incur no obligation. We think we may be helpful.

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THROUGH THE EDITOR'S SPECS



APPLESAUCE and vinegar!" That's what an editor's mail is made up of. Sweet and sour in the same batch and dealing with the same articles. Kicks and kisses, bricks and bouquets, compliments and "cussings," we get them all the time and they're good for us.

"The news," said an editor once, "is the least interesting thing in a newspaper."

"What is the most interesting?" was the next question.

"Good letters," he said.

And perhaps that helps explain why we print so many letters.

AS LONG ago as last March, Bertrand Russell wrote in NATION'S BUSINESS an article, "Is America Giving a Chance to Individuality?" In it he said some pretty sharp things about organization, and it brought down upon the editors of this magazine an interesting lot of letters, ranging all the way from bitter denunciation to high praise.

A letter of the latter kind has just come to us from Yakima, Washington. Mr. Ira D. Cardiff, President of the Washington Dehydrated Food Company, who winds up his letter by saying "a man isn't free until he is free from his neighbor's opinions," says also:

Nothing could more strongly demonstrate the truth of Russell's statements than the attitude of Harry A. Jung, in your May issue.

(Mr. Jung wrote to us to protest against our admitting Mr. Russell to our columns.)

This intolerant attitude on the part of our organized 100 per cent boosting, blustering, back-slapping Babbitts forms today one of the greatest obstacles to human progress.

Yet it is interesting to note from Mr. Cardiff's letterhead that he who joins with Professor Russell in questioning the value of so much organization is himself a member, or at least his company is, of the Northwest Dried Fruit Association, Northeast Cannery Association and Manufacturers Association of Washington.

FROM Logan, Utah, comes this letter on the magazine and some of the things it says:

I am frank to admit that I need NATION'S BUSINESS—its vision and companionship—far more than it needs me.

So I am sending three dollars so that I may argue, agree, and disagree with the questions and subjects you discuss. I don't think that you are making a bid to run the Government. I see a constant growth in

your work, and I observe that you are growing up.

In many things you give evidence of being human, and often manifest an urge for better and bigger things. I think at times you play favorites, and again at times I think you show a desire to dictate, or go out of your way to impress your readers that in this particular thing you are right.

Mr. Griffin read with interest and understanding the article by Julius Barnes in the May number, "The Market of Discontent," and he goes on to say:

I think Mr. Barnes is right. His article should be in the hands of every farmer and they should give it more than passing thought. Americans may be long on quantity but they also have a very high regard for quality.

Six fresh eggs delivered by six clean hens, and these hens fed food that help them build an egg that satisfies the quality stomach is worth more than a dozen eggs laid by a dozen unclean hens fed food that just won't make a good egg. A bushel of wheat with 14 per cent protein is worth fifty cents a bushel more than a bushel of 10 per cent protein wheat. Good clean fresh milk fit for the "Quality Table" at ten cents a quart over the milk not so good. These things probably hold as good a key to the farmers problem as the McNary-Haugen bill.

Why all this talk? I don't know. It may be that I feel good today. I am looking over a field of dry farm wheat that looks like a forty-bushel crop—BUT—what will the protein be and will it reach the "Quality Table"?

WE ARE indebted to the *Boston Herald* for this list of adjectives used by President Coolidge in referring to the McNary-Haugen Bill.

If you know the fury of a patient man who is aroused, consider the following adjectives which President Coolidge used in his veto of the McNary-Haugen Bill:

Amazing	Impossible
Arbitrary	Incompatible
Autocratic	Incredible
Bad	Insidious
Bewildering	Intolerable
Bureaucratic	Menacing
Camouflaged	Objectionable
Coercive	Obnoxious
Cumbersome	Overwhelming
Dangerous	Petty
Deceptive	Precarious
Delusive	Prejudicial
Discriminatory	Preponderous
Drastic	Prodigious
Entangled	Prohibitory
Excessive	Repugnant
Extraordinary	Retaliatory
Fantastic	Slovenly
Fallacious	Unconstitutional
Flat	Undesirable
Flagrant	Undue
Futile	Unworkable
Ghastly	Vicious
Hazardous	Wasteful

The list leaves in the reader's mind an impression that the President did not like the bill.

"**PROFITLESS** prosperity" was the title of an article by Alexander Brown of the Brown Hoisting Machinery Company, in *NATION'S BUSINESS* last August. It is a subject that will not down. Busi-



Plant of the Fageol Motors Company, Oakland



L. H. BILL, President,
Fageol Motors Company

How Fageol Captured The Western Market

EASTERN manufacturers realize today that in the development of the western territory they are faced by as serious a barrier as the Rocky Mountains were to the early trading caravans. This barrier is the western freight rate classification affecting westbound shipments beyond Denver. How the Fageol Motors Company, manufacturers of trucks and motor busses, at its Oakland location profits from this freight classification is explained in the following interesting statement by L. H. Bill, president of the company. His experience gives food for thought to eastern manufacturers and distributors.

"Early in 1916," states President Bill, "we realized the advantage of securing units of automotive assembly which are being produced by highly specialized manufacturing facilities in the eastern and mid-western states and shipping these in carload lots at lower freight rates to the Pacific Coast and there engineering and completing an assembly for distribution throughout the western territory. From here we could enjoy a big advantage in competing with products produced wholly in the eastern territory and shipped here at a high freight rate. After careful consideration we selected Oakland as the best possible location from which to serve the western territory and our selection has been more than justified.

"Radiating paved highways enable us to distribute our vehicles under their own power to the cities of the eleven western states. In shipping units we enjoy here in Oakland the most advantageous freight rates of any city on the Pacific Coast.

"The Pacific seaboard location of Oakland gives us a further advantage in direct water shipments to the vast potential markets of Mexico, Central America, the West Coast of South America, Australia, New Zealand, Dutch East Indies, Federated Malay States, China, Japan, Philippine and Hawaiian Islands. Frequent sailings from San Francisco Bay give us tremendous savings in inland freight, storage at seaport awaiting steamer sailings, transfer, local cartage and handling. We are not only able to deliver often weeks ahead of eastern shipments, but this quick delivery saves us hundreds of thousands of dollars in interest on letters of credit.

"The remarkably even temperature and climatic conditions here are ideal for road testing and delivery as well as production efficiency.

"Enjoying these operating advantages, we have greatly increased our line and are sharing in the growth and prosperity of Oakland and the Pacific Coast territory. In a period of less than eleven years we have produced and sold nearly 7,000 automotive vehicles in this territory at a retail value of over \$25,000,000. In addition, during a single year we shipped into eastern territory over 350 motor busses, a good business in a highly specialized and expensive product. We think this rather conclusive evidence that our Oakland location is decidedly advantageous."

Statements of other nationally-known manufacturers giving their actual experience in the Oakland Industrial District have been published in the booklet "*We Selected Oakland*," mailed on request without cost or obligation.

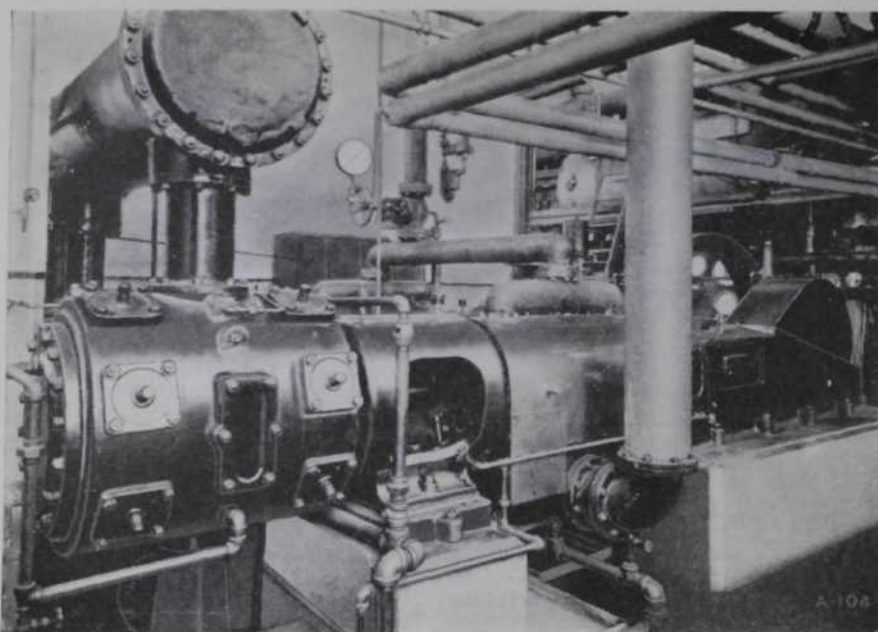
Send for "*We Selected Oakland*"

An industrial survey will be prepared for any manufacturer interested in a Pacific Coast plant. Write Industrial Department

Oakland Chamber of Commerce • Oakland, California

or the Chamber of Commerce of any of the following cities:

Alameda Berkeley
Centerville Emeryville Hayward Irvington Livermore
Newark Niles Pleasanton San Leandro



13x18/11x16 Worthington Duplex enclosed frame poppet-valve Uniflow steam-driven two-stage Feather Valve Air Compressor supplying air at 100 pounds pressure for general purposes at the assembly plant of the Chevrolet Motor (Ohio) Company, Norwood, Ohio.

Compressed Air for Assembling Chevrolets at Norwood, Ohio

IN assembling automobiles every opportunity is sought to replace human effort with power. Yet on the assembly line, if any machine fails, the whole line is retarded . . . or stopped . . . and costs mount.

Compressed air, for hoisting and for driving portable tools, is widely used on account of its dependability.


At the assembling plant of the Chevrolet Motor (Ohio) Company at Norwood, Ohio, a Worthington Duplex Uniflow steam-driven 2-stage FEATHER Valve Air Compressor unit is in service from 8 to 24 hours per day delivering 902 cu. ft. of air per minute compressed to 100 pounds.

Worthington equipment... whether air compressors, pumps, condensers, meters, feedwater heaters or Diesel Engines... is built for dependable service, taking full advantage of knowledge and experience accumulated by the organization over a period of 87 years.

Worthington equipment is stocked for prompt delivery at convenient points throughout the country. Worthington service can be secured from twenty-four district sales offices.

How may Worthington serve you?

WORTHINGTON



PRODUCTS

PUMPS

COMPRESSORS

CONDENSERS
and Auxiliaries

OIL and GAS ENGINES

FEEDWATER HEATERS

WATER and OIL METERS

Literature on Request

WORTHINGTON PUMP AND MACHINERY CORPORATION
2 PARK AVENUE, NEW YORK DISTRICT OFFICES IN 24 CITIES

WORTHINGTON

7541-11

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention Nation's Business

ness is full of it. What use are sales without profits? Is bulk the real measure of the growth of a business?

And one more question: Who's to blame? In *Forbes* L. S. Horner draws a comparison between labor's attitude and management's that is far from flattering to management. He writes:

Looking at the facts squarely, it seems strange that labor, criticized for policies which have appeared to be shortsighted, is today enjoying the highest real wages, while much-vaunted management has brought capital under circumstances making for diminishing returns. The reason for labor's recent rise and capital's decline is that labor profits by the producer's mad drive for volume and still more volume, while the producer suffers from the intensified competition that results. Labor has worked to one end with commendable loyalty to its fellows, while in industry the executive heads of individual concerns have tried to go it alone. Our executives have gone the limit in improving plant efficiency, bettering products, reducing costs, perfecting distribution, but they have scarcely given a thought to the aims they should hold in common with other leaders in their industry.

Is labor, then, a better cooperator than management?

P. MODE, who is moved to comment by the March editorial on "Mouse and the Corporation Elephant," has a new version on what he calls the "quality mouse trap story." This is the way Mr. Mode phrases it:

If a man can make a better mouse trap than his competitors—buyers will make a beaten path to his factory.

Then Mr. Mode adds:

The modern version—mine at least—holds out little hope for this industry.

If a man can make a better mouse trap than his competitors—he gets the Cat's Meow.

WHILE we are talking of the mouse trap let us quote again the way in which it first appeared in *Emerson's Journal* in 1855. Then he said:

If a man has good corn, or wood, or boards, or pigs to sell, or can make better chairs or knives, crucibles, or church organs, than anybody else, you will find a broad, hard-beaten road to his house, though it be in the woods. And if a man knows the law, people will find it out, though he live in a pine shanty, and resort to him. And if a man can pipe or sing, so as to wrap the prisoned soul in an elysium; or can paint landscape, and convey into oils and ochers all the enchantments of spring or autumn; or can liberate or intoxicate all people who hear him with delicious songs and verses, 'tis certain that the secret cannot be kept; the first witness tells it to a second, and men go by fives and tens and fifties to his door.

The mouse trap first appeared nearly 34 years later when in a book called "Borrowings," by Mrs. Sarah S. B. Yule. She said that she had copied this from a lecture by Emerson:

If a man write a better book, preach a better sermon, or make a better mousetrap than his neighbor, though he build his house

THE TRUE WORTH OF FAULT-FREE VALVE SERVICE IS INVALUABLE.



The Limited is "On Time"



Fig. 801
Jenkins Bronze Globe
Valve for 250 pounds
Steam Pressure



Fig. 332
Jenkins Standard Bronze
Swing Check Valve



Fig. 142
Jenkins Standard Iron
Body Globe Valve

ACE OF ENGINEERS . . crack locomotives . . a picked crew . . palatial cars . . automatic block signals . . everything to make the run of the Limited safe and entirely comfortable—and on time.

Water from the long troughs must be picked up "on the fly" . . yard switches must be kept thawed in winter . . locomotives must be "blown down" and "washed out" . . trains and stations must be heated.

For these, and for countless other services, valves are essential—so faultless valve operation contributes in no small measure to the smooth functioning routine that speeds the Limited across the Continent.

Since 1864, Jenkins Valves have met the test of every service which must not fail . . by day or by night . . on railroads and aboard ship . . in buildings and manufacturing plants . . in plumbing and heating systems . . in boiler plants . . or wherever the flow of steam, water, oil, air, gas and other fluids must be controlled.


Engineers, Architects, Contractors and Business Executives are invited to use our Advisory Service, maintained to aid in the selection of the proper valve for any purpose.

JENKINS BROS.

80 White St., New York, N. Y. 133 North Seventh St., Philadelphia, Pa.
524 Atlantic Ave., Boston, Mass. 646 Washington Boulevard, Chicago, Ill.

JENKINS BROS., Limited, Montreal, Canada; London, England
Factories: Bridgeport, Conn.; Elizabeth, N. J.; Montreal, Canada

Always marked with the "Diamond"



Jenkins Valves

SINCE 1864

When writing to JENKINS BROS. please mention Nation's Business



New York Life Building, New York, N. Y. Architects: Cass Gilbert, Inc. Builders: Starratt Bros., Inc. Constructing Engineers: Meyer, Strong and Jones, Inc. Electrical Engineers and Contractors: Fishbach and Moore, Inc. Heating Contractors: Baker, Smith and Co.

Distributing one million cubic feet of air per minute for an army of workers!

NOW taking its place among the finer monuments to modern architectural genius, the New York Life Building, massive and towering, dominates New York City's midtown skyline.

In this impressive structure, covering a large city block; burrowing underground to a depth of five basements and reaching thirty-four stories into the air, a veritable army of workers will be employed. To insure ideal working conditions and adequate, economical ventilation, Sturtevant equipment was specified for use in this huge building.

Fifty-six Sturtevant fans, comprising one of the most extensive installations in use today, will distribute more than one million cubic feet of air per minute and facilitate the flow of heat over a heating surface of thirty-five thousand square feet. The selection of Sturtevant equipment and its installation from sub-cellar to tower guarantees the owners of the New York Life Building a uniform economy and dependability of operation on a scale in keeping with the magnitude of their enterprise.

B. F. STURTEVANT CO., HYDE PARK, BOSTON, MASS.

Plants at: Berkeley, Cal. Camden, N. J. Framingham, Mass.
Galt, Ontario Hyde Park, Mass. Sturtevant, Wisc.
Offices in Principal Cities

Sturtevant

REG. U. S. PAT. OFF.

HEATING-VENTILATING AND POWER PLANT EQUIPMENT

When writing to B. F. STURTEVANT Co. please mention Nation's Business

in the woods, the world will make a beaten path to his door.

But whatever the version, no quotation ever served the advertising industry so well, and any advertising man responds at once to an assertion that the mouse trap theory holds good. A product of the best will sell itself though no one be told of it.

THE *Congressional Record Index* is not as a whole as lively a periodical as the *Record*. There is not that sparkling interchange of thought and words that characterizes the daily accounts of the doings of Congress.

But the *Index* is not without its informative moments. It gives to one who scans its pages a new and a clearer light on the breadth of Congressional knowledge. It is impressive to know that in twelve days one Congressman was able to rise and discuss:

- Amending Judicial Code.
- Army disbursing accounts.
- Aviation fields.
- Canal Zone laws.
- Care of injured civilians at training camps.
- City of Park Place, Tex.
- Condemned war material.
- Construction at military posts.
- Contractors and subcontractors.
- Corn borer.
- Erection of memorials.
- Fleet and squadron engineers.
- Farm relief.
- Flood control.
- Forfeited vehicles.
- Montezuma National Forest.
- Naval officers assigned to airship duty.
- New judicial district in Indiana.
- Nonmineral public lands in Oklahoma.
- Order of business.
- Osteopathy.
- Policewoman's Bureau.
- Post Office Building at Philippi, W. Va.
- Practice before Patent Office.
- Relief of certain Army officers.
- Rent and equipment allowances.
- Rubber.
- Rumania, loans to.
- Socialist platform.
- Standard Oil Co. of New Jersey.
- Tax reduction.
- World War veterans' act.

"And still the wonder grew that one small head could carry all he knew."

HOW much of a magazine is appearance and how much is text is a question over which editors and authors have disputed for many a year. Here's an author who seems to attempt an appraisal. Judge Pierre Crabites, the American representative on the Mixed Tribunals at Cairo, writes to us about his article in the May number:

If my article carries an effective message your photo editor will be entitled to four-fifths of the credit. Nabrook is the Arabic for congratulations. Please Nabrook him for me.

SMALL boys seem to react to advertising in England much as they do in the United States. We cite in proof this from *Punch* of London:

PARENT.—You are probably right in sup-

posing that the yearning to apply for free samples by post is ineradicable from the hearts of the young. It may seem strange that boys all over England should be writing letters demanding Infant Food and Extract of Beef, and beginning with the words, "Dear Sirs:—I am anxious about the condition of my three-weeks-old child. It appears to suffer from rickets," and signing themselves, "Anxious Mother." But the boys seem to like it, and the advertisers, apparently, do not care. The best punishment is to insist on the consumption of all samples that arrive, except in the case of tonic wines.

"VOX POPULI" has not written to us for a long time, but we hear from "Constant Reader" with a good deal of regularity. He writes from various quarters of the country. When he is critical he is pretty apt to begin:

Of course, you won't dare to print this letter.

The particular "Constant Reader" whose letter lies before us, writes from Stamford, Connecticut, and feels that "you are just a whitewash to cover the commercial leprosy rampant in our land of freedom."

Yet, if "Constant Reader" would only tell his name we should like to print more of his letter, because there are things in it that interest us.

PRESIDENT COOLIDGE comes by economy naturally. In Vermont folks had to be. Judge Hiram R. Steele in a little book of "Reminiscences of a Long Life," tells this story of his boyhood days in that state:

An old lady in Vermont who thought she was near the end of her journey called in her two nieces to talk over arrangements for her funeral. She selected the hymns she wanted to have sung, and gave instructions as to all details. She said:

"I want to be laid out in my best black silk dress; but before you put it on I want you to take out the two back breadths and make an apron for each of you. It is a wonderful piece of silk and I want you to have the aprons to remember me by."

One of the nieces said:

"But, Auntie, don't you think you will look funny going up the golden stair-case with two breadths of your skirt gone?"

And she said:

"I won't look any worse than your Uncle Silas (her husband). He was buried without any pants on."

AND THERE'S a bit of interesting economies in Judge Steele's book. He writes:

I was walking on the streets of Augusta, Georgia, one cold morning in January with the late Oscar Straus, when we met a bunch of darkies, shivering with hands in their pockets, and M. Straus said to one of them:

"Why don't you go to work?"

"What for?"

"So you can get some money."

"Then what?"

"Work some more and get more money."

"Then what?"

"Then you can take your ease."

"Bress God, ain't I doing that now?"

M.T.



Highway engineers and contractors know from experience that tractors and graders equipped with French & Hecht Expansion Wheels for rubber tires are more efficient. For this reason the more important State and private purchases of this kind of equipment call for French & Hecht Wheels.



Tire is easily removed or replaced without having to take the wheel to a shop and without a power press.

The proper weight of wheel as well as width of tire surface to meet all ground conditions enables the machine to handle a bigger load and do its work more effectively.

French & Hecht Wheels have many important features of construction that no other wheels have and they are exclusively French & Hecht.

Machines equipped with French & Hecht Wheels do more efficient work because these wheels are mechanically correct.

The weight can be varied to meet all conditions, hence more effective traction is assured.

The time and expense in removing and replacing tires is cut to the minimum. The expansion feature does away with the old power press method and a crew of men.

So extensive are the experience and facilities of this organization in the development and manufacture of steel wheels for all applications that French & Hecht service means a distinct saving to manufacturers and wheel users. Write,

FRENCH & HECHT, Inc.

Wheel Builders Since 1888

DAVENPORT, IOWA SPRINGFIELD, OHIO

FRENCH & HECHT
STEEL WHEELS

When writing to FRENCH & HECHT, INC., please mention Nation's Business

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THIS is the second of a series of editorials written by leading advertising men on the general subject of "Advertising"



Advertising, a Matter of Facts

IT SEEMS incredible at this stage of advertising progress that any doubt should exist about the facts which justify advertising outlays. If it does, this is an excellent year in which to speak plainly and clear the air. Buying is somewhat tighter. Competition is closer. Selling costs are high, and net income in most manufacturing lines is lower than it ought to be in this or any other year.

With this situation, pressing but in no sense perilous, advertising has a better opportunity to demonstrate its economic soundness, and talk figures with complete frankness, than would otherwise exist.

The truth is that advertising organizations, confronted by one hundred and one exacting kinds of analysis and creative work, have usually been too busy to go into figure details as thoroughly as production and selling departments are compelled to. Out of this situation apparently has grown, in some quarters, the mistaken idea that advertising, with all of its modern efficiency, has not learned to reduce itself to figures.

In other words, the complete economics of the situation have always been at hand, but they may not have been presented in the form to which the advertiser is accustomed.

Every practical advertising campaign is constructed on figures and maintained on figures—so there is no reason under the sun why the whole program, in its dollars and cents significance, should not be presented clearly and completely to the advertiser. It is simply a matter of realizing that a manufacturer is first a business man and that he cannot be expected to evaluate advertising, in its relationship to the other factors of his enterprise, until it is translated in terms of simple figures.

Every experienced advertising organization handling a campaign possesses the data from which all figures desired by the advertiser can be supplied and a fine resolution for 1928 would be to supply them, all along the line, whether the advertiser asks for them or not.

FRANK PRESBREY
Frank Presbrey Company
New York City

Tests of this grainless wood show remarkable results in wide range of industries!

Enthusiastic letters of praise coming in every day. Many report new and unique uses. Send for large free sample and find out what Masonite Presdwood will do for you.



FOR STORE FIXTURES

Two years we waited to tell the story of Masonite Presdwood — and two days after our first announcement inquiries began pouring in from every section of the country. Requests for samples already run up into the thousands. And in the meantime, this grainless all-wood board has been subjected to hundreds of tests by leading manufacturers in all sorts of industries.

These tests prove conclusively that Masonite Presdwood won't crack, check, split or splinter; that it possesses remarkable workability and uniform strength; that it is very dense and tough, highly resistive to moisture, and takes any finish beautifully. Presdwood also has a very smooth attractive surface on the face side, and requires no paint for protection.

The Story of Fido

Down in Gulfport, Mississippi, Presdwood was recently used in building a speed boat called "Fido". Thanks to this grainless wood, the boat when completed weighed only sixty-two pounds, although it is eight feet long and has a forty-eight inch beam.

Knowing that Fido could do better than thirty-one miles an hour over a straightway course, its owner decided to enter it in the Class B Outboard Race in the Gulf Hills Regatta—and Fido won the race!

Better bread boxes

A certain Wisconsin manufacturer, whose name will be given in request, has made some very severe tests with Masonite Presdwood for bread boxes, and reports that it is far better for this purpose than any other material he has ever tried.

In making the tests a large rotating steel cylinder was used; a cylinder equipped with baffle plates, hazards and heavy spikes. The boxes to be tested are put inside of this machine, each box being hurled from one

side to another and from one baffle plate to another so that it does not catch the impact in the same place twice in succession.

A box made of the regular conventional material failed under a total of 871 drops. The box made of Masonite Presdwood did not fail until it had withstood a total of 1942 drops!



FOR PANELING

In a recent letter, Mr. Leo. A. Margola of the Chicago Art Institute writes: "I have been using Presdwood for remounting valuable canvas paintings and for backing and protecting ancient and modern works of art. Before adopting this material, many severe tests proved it to be a safe, durable material, which resists the action of moisture, heat and cold without twisting, wrinkling or warping and with minimum contraction and expansion."

Several railroads are now using Presdwood as paneling in their new Pullman Cars. It is also in wide demand for outdoor and indoor signs, store fixtures, starch trays for candy factories, clothes hampers, radio boxes, cupboards, doll furniture, packing cases.

New uses practically every week

And almost every week we hear of new uses: incubators, barbecue stands, display booths, work-bench tops, bedroom screens, plaques, music cabinets, lining for trunks and wardrobes, theatre props, concrete forms and invalid trays. In addition, Presdwood is now being tested for use by manufacturers of electric equipment, organs, airplanes, clocks, tools, bowling alleys, chemicals, farm wagons, trucks, automobiles, iceless refrigerators and church furniture!

Masonite Presdwood may be exactly the material you are looking for. Write for large, free sample. It will be sent promptly on request without placing you under any obligation.

MASONITE CORPORATION

Sales Offices: Dept. 1478, 111 W. Washington St.
Chicago, Illinois

FOR PLAYHOUSES AND TOYS



Mills: Laurel, Mississippi

Masonite

PRESWOOD

Made by the makers of
MASONITE STRUCTURAL INSULATION

REG. U.S. PAT. OFF.

IN BUILDING BOATS



Laid up in the Hospital he sold \$200,000 worth of Silk



An Advertisement for Bell Long Distance Telephone Service

A NEW YORK raw silk salesman had to go to the hospital for 10 days. His illness was minor, but the loss of time was serious. He secured a room with a telephone. Throughout his convalescence, he kept informed of the course of the market. Sent and received his cables by telephone. Kept in constant touch with office and customers. Sold more than \$200,000 worth of silk.

A Milwaukee dry goods salesman was forced to cancel his regular trip because of a broken leg. From his sick-room, he covered in 5 days by telephone the same territory that took 5 to 6 weeks of traveling. And he gathered in 90% of his usual business.

Held up by road conditions, a tire salesman had to abandon a certain trip in southern Nebraska. He went to the telephone office and covered his territory by Long Distance. Sold, \$1280 worth of tires; charges, \$6.20.

In emergencies and in the regular day's work, hundreds of concerns are using Long Distance to get things done and to increase profits.

You will be surprised how little the calls now cost. New station to station day rates are: Los Angeles to New York, \$8.75. Dallas to Chicago, \$3.25. Baltimore to Philadelphia, 70c. . . . Calling by number takes less time. Number, please?



Competitors on their way. He Telephoned ahead and sold 466 carloads of Coal



☞ An Advertisement for Bell Long Distance Telephone Service


THE sales manager of a West Virginia coal company received word that two Milwaukee firms were in the market for a large tonnage. It was too late for him to send a representative, as competitors were already on their way. He used his telephone immediately. He made five long distance calls at a cost of \$22.90. He got the order for 466 carloads of coal.

A Texas oil buyer had an option on a million gallons of gasoline. The option expired at noon. At 10:30 an increase in price was made public. Action was imperative, but he had to get the approval of his vice-president who was in Philadelphia. In 15 minutes he had the vice-president by Long Distance, secured the authority

to buy and closed the deal. Saving, \$10,000. A Minneapolis fruit company was left with 8 carloads of peaches more than they could dispose of through their regular channels. Their long distance salesmen, by 12 telephone calls at an average cost of \$3.12 a call, sold the 8 carloads. Total sales, \$9009.

What long distance calls could you profitably make today? It is surprising how little they now cost. New station to station day rates are: Chicago to Berlin, \$53.25. New Orleans to Chicago, \$3.50. Miami to Atlanta, \$2.80. Pittsburgh to Boston, \$2.20. Washington to Philadelphia, 85c. Calling by number takes less time. Number, please?





Remove Waste's Mark

Waste marks Industry for many a "hand-out". Why contribute the price of friction, breakdowns, excessive maintenance and high depreciation? You don't have to. You can use Timken Bearings. Every branch of Industry is doing it. Prominent makers of every type of equipment are featuring Timken economies—entrusting their reputations to Timken results.

Timken friction-elimination saves all possible lubricant and power, and in new installations often reduces initial investment in power units.

Timken thrust-radial capacity assures a degree of endurance which preserves precision, alignment, rigidity and full production ability in Timken-equipped machinery.

Anti-friction operating economies are compounded by Timken endurance. It is a combination made possible only by Timken tapered construction, Timken *POSITIVELY ALIGNED ROLLS*, Timken electric steel, and Timken precision manufacture.

On the strength of full Timken savings, obsolescent equipment can often be profitably written off at once. And you know new equipment *is new*—modern—scientifically up to its full possibilities—when it has Timken Bearings.

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TIMKEN *Tapered Roller* BEARINGS